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CHAIRMAN

January 9, 2003

Ms. Marlene H. Dortch
Commission Secretary
Federal Communications Commission
445 12th Street, SW, Room CY-B402
Washington, DC 20554

RE: WC 02-384, Consultative Report to the Federal Communications Communication from the Public Service Commission of the District of Columbia

Dear Ms. Dortch:

Pursuant to the Public Notice issued December 19, 2002, in the above-mentioned docket, the Public Service Commission of the District of Columbia hereby submits its Consultative Report regarding the application of Verizon Washington DC to provide in-region, interLATA service in the District of Columbia. As directed, enclosed are the required number of copies of the Consultative Report for the Office of Commission Secretary, Ms. Janice Myles, and Qualex International.

Please contact me if you have any questions regarding this filing at (202) 626-5118. Thank you for your consideration and attention.

Sincerely,

Angel M. Cartagena, Jr. /DAF

Angel M. Cartagena, Jr.
Chairman

Enclosures

Verizon Washington DC 271 Application for the District of Columbia

Consultative Report to the Federal Communications Commission from the Public Service Commission of the District of Columbia

January 9, 2003

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I. Introduction

A. Procedural History

The provisions of Section 271(c)(1)(A) of the Communications Act of 1934, as amended ("Act"),[1] set forth threshold competition requirements for supporting regional Bell Operating Company ("BOC") entry into the in-region, InterLATA long distance market in a given state. The provisions of Section 271(c)(2)(B) establish a 14-point checklist that must be met before the FCC may allow such entry.[2] In addition to these specific requirements, the provisions of Section 271(d)(3)(C) impose the general requirement that such entry be in the public interest.[3] The provisions of Section 271(d) provide for the Public Service Commission of the District of Columbia's ('Commission") ability to provide consultation to the FCC with respect to any company that has filed an application in the District of Columbia under Section 271 to provide in-region, interLATA service.[4]

In anticipation of such consultation, on July 12, 2002, Verizon Washington DC ("Verizon DC") filed its documentation for Commission consideration of its compliance with Section 271(c) of the Act.[5] The compliance filing consisted of six declarations:

- Marie C. Johns - A Declaration Regarding Local Competition;
- A Checklist Declaration;
- An OSS Declaration;
- A Measurements Declaration;
- PwC Attestation of OSS; and
- PwC Attestation of Billing.

Thereafter, on or about September 30, 2002, several parties filed responses to Verizon DC's compliance filing. Allegiance Telecom of the District of Columbia, Inc. ("Allegiance") filed the Affidavit of Doreen Best. The testimony of Valerie Evans and Michael Clancy was filed on behalf of Covad Communications Company ("Covad"). WorldCom, Inc. ("WorldCom") presented the Declaration of Sherry Lichtenberg. AT&T Communications of Washington, D.C. LLC ("AT&T") filed three declarations: the Competitive Checklist Declaration of E. Christopher

[1] 47 U.S.C. § 271(c)(1)(A) (2002).

[2] *See* 47 U.S.C. § 271(c)(2)(B) (2002).

[3] *See* 47 U.S.C. § 271(d)(3)(C) (2002).

[4] *See* 47 U.S.C. § 271(d) (2002).

[5] *Formal Case No. 1011, In the Matter of Verizon Washington DC, Inc.'s Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996,* Letter to Sanford M. Speight, Esq., Acting Secretary of the Public Service Commission of the District of Columbia fro David A. Hill, Vice President & General Counsel of Verizon DC ("Verizon DC Letter") and Verizon Washington DC, Inc.'s 271 Compliance Filing, filed July 12, 2002.

Nurse and Robert Kirchberger, the State of Competition Declaration of Robert J. Kirchberger, and the OSS Declaration of E. Christopher Nurse. Dr. Lee Selwyn and Scott Lundquist presented testimony on behalf of the Office of the People's Counsel ("OPC"). The positions of each of these parties are discussed below in relation to the assertions made in Verizon DC's compliance filing.

Verizon DC filed responsive testimony on November 1, 2002. It consisted of three reply declarations: the OSS Reply Declaration, the Checklist Reply Declaration and the Measurements Reply Declaration.

Covad notified the Commission, by letter on November 5, 2002, of its withdrawal from the proceedings.[6] Hearings were held on November 19 and 20, 2002, in which Verizon DC, OPC, Allegiance, AT&T, and Worldcom participated. Verizon DC, OPC, AT&T, and WorldCom also filed briefs after the hearings.

B. Summary of Commission Recommendations

This Commission has undertaken a thorough and comprehensive examination of Verizon DC's compliance with the requirements under Section 271 that apply to Verizon DC's entry into the in-region, interLATA market. This examination included an opportunity for all interested parties to participate, to file comments and testimony, to cross-examine all witnesses, and to file post-hearing briefs. This Commission has also undertaken comprehensive examinations, in other recent proceedings, of unbundled network element ("UNE") prices, terms, and conditions (in Formal Case No. 962) and of carrier-to-carrier ("C2C") performance metrics and a Performance Assurance Plan ("PAP") (in Formal Case No. 990). Those proceedings similarly allowed for broad participation and a thorough examination of the issues through extensive testimony, hearings, and briefings. This Commission also recognizes that Verizon's Operations Support Systems ("OSS") has been subjected on many occasions to formal testing in other states -- testing about which the FCC is no doubt already fully knowledgeable given the many Section 271 reviews it has performed in the wake of such testing.

This Commission finds that Verizon DC meets the conditions of Section 271(c)(1)(A) of the Act, in that competitors are providing services either exclusively or predominantly over their own facilities, to both residential and business customers. This Commission also finds that Verizon DC generally has met the checklist conditions set forth in Section 271(c)(2)(B), with certain reservations, which are discussed immediately below. The Commission has a series of concerns about a number of issues that the participants raised in this case. Because, with one exception, the Commission does not believe that these concerns are sufficiently grave as to merit a recommendation to reject Verizon DC's Section 271 application, the Commission intends to address these concerns in proceedings before the Commission. These concerns are as follows:

1. Checklist Item 2: UNE Pricing

[6] Covad withdrew before the hearings. No party adopted Covad's filing at the hearings for entry into the formal record, so there was no ability to cross-examine any witness regarding Covad's filing. Because Covad's filing is not in the formal record of this proceeding, the Commission does not discuss its arguments. *See*, 15 DCMR § 133.1, 133.6.

In Order No. 12610, released December 6, 2002, the Commission established UNE rates for the District of Columbia, replacing the proxy rates set in 1997. Verizon DC objects to the UNE rates established in Order No. 12610 and on January 3, 2003, applied for reconsideration of the UNE rates.[7] By operation of District of Columbia law, the filing of a petition for reconsideration stays the order subject to the petition for reconsideration, unless the party seeking reconsideration requests that the stay be lifted.[8] Verizon DC has not requested that the stay be lifted. Thus, the UNE rates in effect before the issuance of Order No. 12610 are now in effect in the District of Columbia until an Order on Reconsideration is issued by this Commission.

In Verizon DC's Section 271 application, Verizon DC describes the situation created by District of Columbia law during the reconsideration period, but indicates that, in some circumstances, it will be offering other UNE rates benchmarked to New York UNE rates as UNE rates in the District of Columbia.[9] However, these New York-benchmarked rates have not been approved by this Commission. Under District of Columbia law, Verizon DC cannot offer rates that have not been approved by this Commission.[10] Thus, Verizon DC cannot offer UNE rates in the District of Columbia until they have been approved by this Commission for the purposes of Verizon DC's Section 271 application. The District of Columbia's 1997 proxy rates were based on the FCC's proxy rates, which were invalidated in the Eighth Circuit Court of Appeals *Iowa Utilities Board v. FCC* decision.[11] Thus, the UNE rates in place in the District of Columbia prior to the issuance of Order No. 12610 cannot be used to support a Section 271 application because they are based on proxy rates, not the total element long run incremental cost ("TELRIC") methodology. In place of most of the proxy rates, Verizon DC has proposed to offer to CLECs rates that Verizon DC alleges are TELRIC-compliant for incorporation into existing or new interconnection agreements. After a CLEC has accepted these terms, Verizon DC intends to seek approval of the interconnection agreement amendments from this Commission. Verizon DC believes that upon Commission approval of the interconnection agreement amendments, which would include these new rates, benchmarked to New York UNE rates, there would be TELRIC-compliant rates in the District of Columbia.[12]

[7] *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996,* Verizon Washington DC, Inc.'s Application for Partial Reconsideration and Clarification of Order No. 12610 ("Verizon DC Reconsideration"), filed January 3, 2003.

[8] D.C. Code, 2001 Ed. § 34-604(b).

[9] *In the Matter of Application of Verizon Maryland, Inc., Verizon Washington DC, Inc., and Verizon West Virginia, Inc., et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Maryland, Washington, D.C., and West Virginia*, Verizon Brief at 47.

[10] D.C. Code, 2001 Ed. § 34-601

[11] *Iowa Util. Bd. v. FCC*, 219 F.3d 744, 756 (2000).

[12] *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996,* Verizon Washington DC,

The Commission believes that Verizon DC's approach may be reasonable. However, Verizon DC has not yet submitted an amended interconnection agreement including these New York-benchmarked rates for review and approval by this Commission. If Verizon DC submits such an amended interconnection agreement, and the Commission subsequently approves it after a thorough review of the agreement, then there may be sufficient UNE rates in place for the Commission to believe that the Verizon DC satisfies this checklist item.

2. Checklist Item 4: Expanded Extended Loops ("EELs")

Verizon DC requires the CLECs to "turn up" (make live) the interoffice ("IOF") portion of an Expanded Extended Loops ("EEL") before the loop portion can be ordered. The second (loop) part of this sequence can sometimes take as long as 15 days to provision, but Verizon DC charges the CLECs for the IOF portion as soon as it is made live. We believe it is improper for the CLECs to bear the financial burden for lags between the ordering of EELs and the provision of their full functionality by Verizon DC. This problem can be solved simply by requiring that CLECs need not pay for the trunk portion until both it and the loop portion are provisioned, provided that both portions are ordered at the same time. This Commission is concerned over the absence of a Verizon DC policy providing that CLECs will not be required to pay for the IOF loop until the entire EEL has been provisioned, if both EEL portions are ordered together. However, the Commission determines that this issue is best addressed in another proceeding, where additional information can be collected to allow the Commission the opportunity to adopt an appropriate policy regarding this issue.

3. Checklist Item 4: Discontinuing Verizon Voice Service

WorldCom argues that it is discriminatory and anti-competitive for Verizon DC to decline to continue providing its own DSL service to a customer who switches to a CLEC for the voice portion of local exchange service. Verizon's policy constitutes a substantial barrier to the development of competition. This Commission has substantial concerns that the effect of this policy is anti-competitive and that the denial of data services is contrary to the policies of this Commission with respect to the retail services under its jurisdiction. Because the Commission needs more information on this subject, the Commission will undertake an investigation into this issue.

4. Checklist Item 5: Dark Fiber

AT&T asks that this Commission require Verizon DC to adopt the specific terms and conditions approved in the FCC's recent *Virginia Arbitration Order*, which addressed dark fiber issues, in Verizon DC's model interconnection agreement. This Commission believes that this issue requires further investigation, which will be conducted in a separate proceeding.

Inc.'s Response in Compliance with Order No. 12626 ("Verizon DC 12626 Response"), filed January 7, 2002; *Errata to Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626*, filed January 8, 2003.

5. Checklist Item 8: Directory Listings Verification

Verizon DC states that CLECs can verify the accuracy of directory listings by submitting pre-order queries of the OSS. While Verizon DC is entitled to charge for these queries, it does not do so at this time, pending a request to change the charge basis from a per-inquiry to a per-line basis, in order not to discourage CLECs from using pre-order queries. At this time, Verizon DC retains the option of imposing such a charge. The Commission believes that further inquiry is necessary to determine whether this option should be retained and will initiate an investigation into this issue in another proceeding.

6. OSS: Billing

Prior OSS testing in Verizon states has not included electronic billing, because Verizon has never designated an electronic version as the "bill of record" until after it could be included in OSS testing. Further, the record demonstrates that there have been accuracy problems arising under ExpressTRAK, which is still in its early period of application. Also, the recent elimination of accuracy measures from the District of Columbia Carrier-to-Carrier Guidelines Performance Standards and Reports ("C2C Guidelines or DC Guidelines") may cause a lack of sufficient incentives to cure any problems that may continue.

The Commission considers it appropriate to make special arrangements for examining billing developments, in the immediate post-Section 271 period, to assure that immediate post-entry performance continues to show adequate progress toward satisfaction of appropriate standards. The Commission determines that it should study the feasibility of early audits under the PAP, which would include the capability to examine whether billing operates accurately and effectively under the systems now in place.

7. OSS: Flow Through

The best way to analyze this issue is to determine whether the flow through measurements being reported: (a) inspire sufficient confidence as to their accuracy; (b) show a sufficiently improving trend in the recent past; and (c) are likely to show continued improvement into the future. The Commission finds it appropriate that focused post-Section 271 attention remain on this important issue, to assure that immediate post-entry performance continues to show adequate progress toward satisfaction of the applicable standards. The Commission believes that the feasibility of early audits under the PAP should be studied, to examine whether flow through performance is being affected by any system problems and generally to examine the underlying root causes of any problems, in the event that flow through performance in the District of Columbia does not come to match that being experienced in other Verizon jurisdictions.

8. Late or Inaccurate Performance Reports (Verizon Veto Over PAP Changes)

The Commission is concerned about Verizon DC's position that it must approve of any future PAP changes. The Commission has already partially addressed this issue in Formal Case

No. 990, in its Order adopting the PAP.[13] The Commission will continue to address these issues in the context of Formal Case No. 990.

The following sections of this report include a summary of Verizon DC's initial filings, a discussion of the issues raised by Competitive Local Exchange Carriers ("CLECs") and other parties, an analysis of the issues, and detailed explanations underlying each of the checklist exceptions listed above.

13 Order No. 12451, ¶ 121-137.

II. Track A and The Public Interest – The Degree of Local Competition in the District

A. Verizon DC Declaration

The purpose of this declaration is to provide an overview of competition in the local exchange market in the District of Columbia. The declaration is based on an attached report (Attachment 101) that provides detailed information to support the summarized data contained in the declaration. Ms. Johns, President of Verizon DC, states that she "will demonstrate that the local market in Washington, DC is "irreversibly open."[14] She asserts that the Washington, D.C. local market is competitive, and that, as of April 30, 2002, more than 130 CLECs had been authorized to provide local exchange service in the District of Columbia. Verizon DC estimates that, of these, approximately 40 CLECs are currently providing service in the District of Columbia, and they serve at least 199,000 lines.[15]

According to Verizon DC, approximately 120 Commission-approved interconnection agreements exist. Of those, approximately 80 agreements cover facilities-based service and another 40 agreements cover service by resale.

Based primarily on E911 listings, Verizon DC estimates that competitors serve approximately 17 percent of the total local exchange market in Verizon DC's jurisdiction. Verizon DC estimates that CLECs serve 163,600 business lines using their own facilities, 2,500 business lines using the UNE Platform ("UNE-P") and approximately 8,300 business lines using resale. Verizon DC makes similar estimates for residential lines; of the approximately 25,000 residential lines served by CLECs, 17,500 of them are served on a facilities basis, with 20 using UNE-P, and 7,400 are resold.

Verizon DC maintains that the level of competitive activity increased over the 16 months preceding its principal filing in this proceeding. From 2000 to 2001, Verizon DC states, the average number of minutes of traffic exchanged with CLECs on a monthly basis has increased by more than 25 percent. In addition, from December 2000 to April 2002, the number of loops increased by more than 40 percent, the quantity of numbers ported increased by 90 percent, and the number of Verizon DC-provided UNE-Ps increased by over 550 percent.[16]

Verizon DC also submits CLEC proprietary information for several individual carriers that provide facilities-based service. They are: Allegiance Telecom, AT&T Communications, Cavalier Telephone, PacTec Communications, Starpower, WorldCom, and XO Communications. These data show the number of business and residential lines for each carrier and whether service is provided on a facilities or resale basis.[17]

14 Verizon DC Local Competition Declaration at ¶3.

15 Verizon DC Local Competition Declaration at ¶¶ 5-7.

16 Verizon DC Local Competition Declaration at ¶ 8.

17 Verizon DC Local Competition Declaration at ¶¶ 10-16.

Verizon DC also argues that this list is not exhaustive, citing the existence of about 25 local service resellers that serve 15,700 lines. Through April 2002, Verizon DC had provided 20,000 UNEs to approximately 15 different competitors and unbundled local switching to five different CLECs. According to Verizon DC, Starpower, Allegiance, Covad, and Qwest compete with Verizon DC in the data services market.

B. OPC

OPC addresses the issue of local competition in the context of the public interest standard.[18] OPC characterizes the District of Columbia's telecommunications market as a "slowly emerging competitive telecommunications market,"[19] although virtually no residential competition has emerged.[20] Dr. Selwyn, OPC's witness, considers Verizon DC's evidence to be "highly suspect," and he expresses concern that there are no assurances that even current competition is "economically viable or sustainable." He concludes by saying that market conditions in the District of Columbia fail to meet the U.S. Department of Justice's "requirement that the market be irreversibly open to competition."[21]

More specifically, OPC argues that Verizon DC's method for determining the extent of local competition is flawed. First, OPC contends that Verizon DC's reliance on the E911 database for a count of CLEC-served lines is misplaced; there is no information to prove that the manner by which Verizon DC enters numbers in this database is uniform, and Verizon DC's own E911 database entries exceed its access line count. OPC also states that Verizon DC's method of using the number of completed collocation arrangements to measure CLEC penetration has flaws.

OPC notes that a number of CLECs recently have failed, and it points to a decline in "in use" collocation arrangements. OPC argues that opportunities for CLEC expansion or growth have diminished, especially in light of incumbent local exchange carrier ("ILEC") mergers.[22] While the ILECs have claimed that these mergers will further the pro-competitive purposes of the Act, the result has been strengthened monopolies. OPC states that, "CLECs have become marginalized because they do not own the strategic assets necessary to compete and must instead rely upon the ubiquitous Bell network ..."[23] With so many CLECs filing or on the verge of filing for bankruptcy and facing continuing financial difficulties, there has been an overall economic downturn among the CLECs operating in the District of Columbia. OPC presents a table

18 OPC Selwyn at ¶¶ 11-25.

19 OPC Selwyn, Summary, p. 2.

20 OPC Selwyn, Summary, p. 3.

21 OPC Selwyn, Summary, pp. 4-5.

22 OPC Selwyn at ¶¶ 26-33.

23 OPC Selwyn at ¶ 29.

showing CLEC market capitalization in September 1999 and in September 2002. The table illustrates the drop in stock price and market capitalization over the past 36 months.[24] OPC concludes that there are serious risks to consumers and competitors if Verizon DC is permitted into the long distance market "... prior to the development of effective, price-constraining competition in the local market."[25]

C. AT&T

AT&T also presents testimony regarding the status of local competition in the District of Columbia, both for local exchange and long distance service.[26] AT&T questions whether the District of Columbia's local telecommunications market is irreversibly open. It argues that the local competition information presented by Verizon DC is overstated, particularly given the "shakeout" that has been occurring in the CLEC industry. AT&T notes that there are no CLEC collocation arrangements in several Verizon DC central offices. Furthermore, Verizon DC only lists seven CLECs that are major facilities-based competitors and some of these, such as WorldCom and XO Communications, have experienced financial difficulties that could jeopardize their ability to continue to operate or expand.[27]

AT&T contends that there is little competition in the residential market, which the lack of UNE-P use makes apparent; only 20 residential lines were served by UNE-P in April of 2002.[28] AT&T also notes that, of the three modes of entry available to CLECs, resale and UNEs account for only nine percent of the CLEC presence in the District of Columbia. The remainder is facilities-based competition. AT&T points out that Verizon DC only needs to interconnect and port numbers in the latter mode of entry; therefore, "...Verizon's showing here can hardly be considered conclusive proof that it has met its obligations under the Act to make resale and UNEs readily available to its CLEC competitors."[29] AT&T discounts Verizon DC's arguments that the large number of interconnection agreements and the reservation of some 700,000 telephone numbers by CLECs for future use constitute proof of local exchange competition. AT&T contends that neither point shows actual numbers in service.

D. Analysis and Conclusions

1. Background

Section 271(c)(1)(A) of the Act sets forth the requirements under Track A. This section provides:

[24] OPC Selwyn at ¶ 31.

[25] OPC Selwyn at ¶ 34

[26] State of Competition Declaration of Robert J. Kirchberger on behalf of AT&T at ¶¶ 1-33.

[27] AT&T Competition Declaration at ¶ 5.

[28] AT&T Competition Declaration at ¶ 6.

[29] AT&T Competition Declaration at ¶ 8.

> *(A) PRESENCE OF A FACILITIES-BASED COMPETITOR. — A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 153(47)(A), but excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier.*

The FCC has applied four specific tests in interpreting this provision:[30]

- Whether the applicant has signed one or more binding agreements that have been approved under section 252;
- Whether the incumbent is providing access and interconnection to competing providers of local exchange service;
- Whether competing providers are providing local exchange service to residential and business customers; and
- Whether competing providers offer telephone exchange service exclusively over their own respective facilities or predominantly over their own telephone exchange service facilities in combination with resale.

CLEC market penetration rates are also at issue here in the context of the public interest standard under Section 271(d)(3)(C) of the Act. This section requires a conclusion that Section 271 approval be "consistent with the public interest, convenience, and necessity." The FCC has said that compliance with the competitive checklist provides a strong indication that long distance entry is consistent with the public interest. Checklist compliance, however, is not fully conclusive as to the public interest requirement:

> In making our public interest assessment, we cannot conclude that compliance with the checklist alone is sufficient to open a BOC's local telecommunications market to competition. If we were to adopt such a conclusion, BOC entry into the in-region interLATA services market would always be consistent with the public interest requirement whenever a BOC has implemented the competitive checklist. Such an approach would effectively read the public interest requirement out of the statute, contrary to the plain language of Section 271, basic principles of statutory construction, and sound public policy.[31]

30 Memorandum Opinion and Order, *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Michigan*, 12 FCC Record 20543, 20577-99 (1997) (Michigan Order), ¶¶ 62-104.

31 Michigan Order at ¶389.

The FCC's SBC Kansas/Oklahoma Order[32] provides a discussion of the factors that are to be considered in addressing public interest:

> [W]e view the public interest requirement as an opportunity to review the circumstances presented by the applications to ensure that no other relevant factors exist that would frustrate the congressional intent that markets be open, as required by the competitive checklist, and that entry will therefore serve the public interest as Congress expected. Among other things, we may review the local and long distance markets to ensure that there are not unusual circumstances that would make entry contrary to the public interest under the particular circumstances of these applications. Another factor that could be relevant to our analysis is whether we have sufficient assurance that markets will remain open after grant of the application. While no one factor is dispositive in this analysis, our overriding goal is to ensure that nothing undermines our conclusion, based on our analysis of checklist compliance, that markets are open to competition.[33]

2. Existence of Interconnection Agreements

The FCC has stated that interconnection agreements approved under Section 252 of the Telecommunications Act are considered binding for purposes of Track A, even if they contain interim prices, most-favored-nation clauses, or fail to include every possible checklist item. The FCC held that, for agreements to be binding, it is sufficient that they "specify the rates, terms, and conditions under which [the BOC] will provide access and interconnection to its network facilities."[34]

Verizon DC presents evidence that 130 CLECs are authorized to provide local exchange service in the District of Columbia and that 40 of them are active. Verizon DC's evidence shows that it has in force 120 interconnection agreements, and 80 of them are facilities-based.[35] No party seriously contests this evidence; however, a number of parties believe that there has been a reduction in CLEC activity in the recent past. Even with a reduced number of CLECs operating in the District of Columbia, the evidence demonstrates conclusively that Verizon DC has met the Section 271(c)(1)(A) requirement that requires it to have signed one or more binding agreements that have been approved under Section 252.

[32] Memorandum Opinion and Order, *Joint Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services Inc., d/b/a Southwestern Bell Long Distance for Provision of In-Region InterLATA Services in Kansas and Oklahoma*, CC Docket No. 0-217(Released January 22, 2001) ("SBC Kansas/Oklahoma Order").

[33] SBC Kansas/Oklahoma Order at ¶ 272- 273.

[34] Ameritech Michigan Order at paragraphs 72 and 73.

[35] Verizon DC Local Competition Declaration, p. 3.

3. Provision of Access and Interconnection

Verizon DC offers evidence that it is providing access and interconnection at substantial levels. As of the end of April 2002, Verizon DC states that it was providing approximately 80,000 interconnection trunks to approximately 20 competitors in the District of Columbia and that it had exchanged a total of 2.3 billion minutes with competitors in the first four months of this year.[36] According to Verizon DC, it also was providing a total of approximately 20,000 unbundled loops to approximately 15 competitors, and was providing its competitors with approximately 2,500 unbundled switch line ports as part of UNE-P and approximately 70 unbundled dedicated local transport facilities.[37]

The Section 271(c)(1)(A) requirement that Verizon DC provide access and interconnection to unaffiliated competing providers of telephone exchange service imposes no volume number or market penetration requirements.[38] Verizon DC's evidence demonstrates that it meets the requirement that it provides access and interconnection to unaffiliated competing providers of telephone exchange service.

4. Existence of Competing Residential and Business Service Suppliers

This element of the Track A test addresses whether CLECs are actually providing telephone exchange services to residential and to business customers. The FCC has held that there need not be a single CLEC that serves both residential and business customers. The test is whether collectively the CLECs in the state serve both customer types.[39] The Ameritech Michigan Order has made it clear that this element of the test is satisfied where a competing carrier is serving more than a *de minimis* number of end users. The FCC has not provided a quantitative indication of what would constitute more than a *de minimis* number. It had no need to address that question in the *Michigan Order*, because Michigan had "three operational carriers, each is serving thousands of access lines in its service area."[40] The recent FCC Verizon Connecticut Section 271 Order does, however, suggest that the number of end users served by

36 Verizon DC Local Competition Declaration, Attachment 101, p. 4.

37 Verizon DC Local Competition Declaration, Attachment 101, p. 5.

38 *Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region InterLATA Services in Michigan*, Memorandum Opinion and Order, 12 FCC Rcd 20543, 20584, ¶ 76 (1997) (satisfaction of the Section 271(c)(1)(A) requirement does not require any demonstration of geographic penetration); *Application by Verizon New Jersey Inc., Bell Atlantic Communications, Inc. (b/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc. for Authorization to Provide In-Region, InterLATA Services in New Jersey*, Memorandum Opinion and Order at 85, ¶ 168, n. 516 (satisfaction of the Section 271(d)(3)(C) requirement does not require any demonstration of geographic competition).

39 Michigan Order at ¶ 82.

40 Michigan Order at ¶ 78.

CLECs can be material to addressing the satisfaction of Track A requirements. In deciding that this aspect of the Track A standard was met, the FCC said:[41]

> Our comparison of the record in the Kansas/Oklahoma application and the record in this proceeding indicates that residential customers served by competitive LECs on a facilities basis represents a somewhat greater proportion of all Verizon access lines in Connecticut than was the case for Southwestern Bell in Kansas.

The SBC Kansas/Oklahoma Order cited BOC estimates that competitors served between 9.0 and 12.6 percent of total Kansas service-area access lines and between 5.5 and 9.0 percent of all Oklahoma service-territory access lines.[42] In contrast, Verizon DC's evidence in this proceeding indicates that CLECs are serving 16,300 business customers with their own facilities, 2,500 with UNE-Ps acquired from Verizon DC, and 8,300 through resale. The Company's evidence further indicates that CLECs are serving 17,500 residential customers through their own facilities, 20 through UNE-Ps, and 7,400 through resale.

No participant presents evidence that would substantially challenge the overall levels of CLEC market penetration claimed by Verizon DC. However, they raise a number of specific challenges:

- Is it appropriate to rely on the E911 database as a method for counting the number of CLEC-served lines? Does relying on this information overstate the numbers?[43]
- Is it appropriate to measure the CLEC penetration in DC by counting the number of completed collocation arrangements?[44]
- Given the lack of local competition, the continuing difficult economic situation for CLECs, and the disappearance of opportunities for CLEC expansion due to ILEC mergers, is it appropriate to grant Verizon Section 271 authority?[45]
- Can the District of Columbia market be found to be irreversibly open to competition given the lack of UNE-Platform and resale service and the predominance of facilities-based competition?[46]

[41] Memorandum Opinion and Order, *Application of Verizon New York, Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks, Inc. and Verizon Select Services Inc. for Authorization To Provide In-Region, InterLATA Services in Connecticut,* CC Docket No. 01-100 (Released July 20, 2001) (Verizon Connecticut Order), at ¶ 71.

[42] SBC Kansas/Oklahoma Order at ¶¶4 and 5.

[43] OPC Selwyn at ¶¶ 11-21.

[44] OPC Selwyn at ¶¶ 22-25.

[45] OPC Selwyn at ¶¶ 25-34.

[46] AT&T Competition Declaration, p. 4.

- Does the decline in the number of collocation arrangements in the District of Columbia (from Verizon DC data request responses) similarly indicate that the District of Columbia market is not open to competition?[47]

AT&T also denies Verizon DC's claim that AT&T is serving residential customers in the District of Columbia.[48]

These challenges do not contradict Verizon DC's market penetration evidence. First, it must be noted that it is necessary for Verizon DC to estimate CLEC market share, particularly in cases where CLECs take no facilities from Verizon DC, but only interconnect with them. The OPC challenge to the use of the E911 database does not present more than a marginal concern about the accuracy of the database information.[49] The OPC evidence shows a mismatch between Verizon DC line counts and E911 database entries, but not at a level that completely undermines the value of the latter. Second, the number of collocation arrangements was not the sole source of Verizon DC's estimation; were the Commission to wholly ignore it, the record still shows substantial numbers of CLEC customers. The same is true of AT&T's denial that it serves residential customers in the District of Columbia. Even if it does not, the total number of residential customers that CLECs serve is not substantially reduced. As Verizon notes in its post hearing brief, "In the end, whether the E911 database overstates or understates the amount of CLEC competition is academic since, as all parties concede, the amount of competition in the District of Columbia satisfies Verizon DC's statutory obligation."[50]

OPC states that the Commission should first find the presence of effective, widespread competition on the local exchange market in order to mitigate Verizon DC's ability to engage in anticompetitive conduct.[51] This, however, is not the standard set forth in the Act, and OPC has cited no authority for imposing such a requirement.

The general market decline cited by OPC is also not a proper factor for consideration in a Section 271 proceeding. The basis for this decline in relation to matters properly at issue in Section 271 applications is speculative and the OPC witness fails to provide sufficient quantitative analysis from which to gauge its significance. Moreover, OPC's evidence fails to tie concerns about general market conditions for CLECs to any behavior by Verizon DC that fails to meet checklist requirements or is otherwise anticompetitive. Despite the substantial public discussion about CLEC financial conditions, and their purported affect on local competition, the record in this case is devoid of the evidence necessary to permit the Commission to opine about their root causes or to tie them to the specific requirements that must be considered regarding

47 AT&T Competition Declaration, p. 7.

48 *AT&T Response to Verizon Claims That AT&T Presently Serves Residential Customers in the District of Columbia*, November 22, 2002 (filed by agreement after the hearings in this proceeding).

49 OPC Post Hearing Brief, pp. 8-9.

50 Verizon DC Post Hearing Brief, p.58.

51 OPC Post Hearing Brief, p. 7.

Verizon DC's application to provide long distance service in the District of Columbia. Finally, and perhaps most persuasively, the level of competition in the District of Columbia is substantial when compared to what the FCC has found sufficient in other states.[52]

The FCC has granted Section 271 approval in many states, and particularly so in the Verizon footprint. Given that history, it would not be appropriate here to seek to redefine the test that the FCC has uniformly applied to this element of the Track A standard. The FCC does not impose a market share test and it has deemed Track A to be satisfied at very low CLEC levels of penetration into the residential market. At the demonstrated levels of penetration in the District of Columbia, it is clear that Verizon DC has met this portion of the applicable test. Finally, it is worth noting that, despite their raising of concerns about Verizon DC's methods for quantifying CLEC market penetration, no other party here has responded with its own estimate. The burden of proof is on Verizon DC. Had Verizon DC not presented substantial evidence of the existence of required competition, perhaps the evidence on which the CLECs and OPC rely would have proven more persuasive. However, Verizon DC did make such a showing, and it did so with evidence of the type that the FCC has found persuasive on prior occasions.

5. Existence of Facilities-Based Competitors

The last of the four key elements of the FCC test is whether competing telephone exchange service is provided: (a) exclusively over CLEC telephone facilities; or (b) predominantly over such facilities in combination with the resale of the telecommunications services of another carrier. The FCC has held that a CLEC's "own" facilities include UNEs that it leases from the incumbent provider.[53] Verizon DC's evidence demonstrates the provision of significant levels of CLEC services exclusively over the CLEC's own facilities. It also shows that considerable services are being provided over facilities that Verizon DC provides to CLECs.

6. Existing Long Distance Competition

AT&T states that there is already substantial competition in the long distance market, and the "benefits" Verizon claims its entrance into that market will bring do not actually provide anything new to District of Columbia consumers.[54] To bolster its claims of added benefits, Verizon relies on studies performed by the Telecommunications Research Action Center ("TRAC"), which, AT&T claims, is closely affiliated with Verizon and other Regional Bell Operating Companies ("RBOCs"). AT&T states that the TRAC studies are highly suspect because of this affiliation and because the methods used were flawed.[55]

[52] See, for example, the *SBC Kansas/Oklahoma Order* and the recent FCC Memorandum Opinion and Order addressing Qwest 271 authority in a number of states: *In the Matter of Application by Qwest Communications International, Inc. for Authorization To Provide In-Region, InterLATA Services in the States of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington and Wyoming,* WC Docket No. 02 – 314 (Released December 23, 2002).

[53] Michigan Order at ¶ 99.

[54] AT&T Competition Declaration at ¶¶16-17.

[55] AT&T Competition Declaration of at ¶ 19.

AT&T argues that Verizon DC's entry into the long distance market could harm long-distance competition. Verizon's ability to jointly market local and long distance service will give Verizon the ability to extend its local monopoly into the long distance market. AT&T states that, "the larger the RBOC's local service market share the greater will be its opportunity to preemptively market its affiliate's long distance service."[56]

AT&T urges this Commission to consider its position that there is currently sufficient long distance competition in the District of Columbia and that Verizon DC's entry into the long distance market therefore will not benefit District of Columbia consumers. This argument would effectively add another test to the Section 271 requirements that Congress has established. Moreover, it would second guess the decision implicit in Congress's passage of the Telecommunications Act of 1996. That statute makes it clear that national policy is to promote competition in both the local exchange and the long distance markets. It does so by creating an explicit bargain, under which an ILEC that opens its local market to competition receives, in exchange, entry into the interLATA market. We may presume that there is vibrant long distance competition in states where the FCC has granted an ILEC Section 271 approval, without giving weight to arguments like those made by AT&T here. Whether the time is ripe for a reconsideration of federal policy is not before this Commission at the present time. What is at issue is whether the test that AT&T proffers may be read into federal law. It is clear from the federal Act and FCC decisions interpreting it that it may not.

The Commission concludes that Verizon DC meets the in-region, interLATA entry conditions of Section 271(c)(1)(A), because the evidence in this proceeding demonstrates that competitors are providing services either exclusively or predominantly over their own facilities, to both residential and business customers. The Commission also concludes that nothing about the nature or extent of the local competition existing in the District of Columbia causes us to find that approval of Verizon DC's application would contravene the public interest standard of Section 271(d)(3)(C) as the FCC has applied that standard heretofore.

56 AT&T Competition Declaration at ¶ 31.

III. Checklist Item 1: Interconnection and Collocation

A. Verizon DC Declaration[57]

1. General

Verizon DC states that it meets each of the requirements of Section 271(c)(2)(B)(i) of the Telecommunications Act and the *Local Competition Order*.[58] Specifically, Verizon DC makes available: (1) line-side interconnection of the local switch; (2) trunk-side interconnection of the local switch; (3) trunk interconnection points for a tandem switch; (4) central office cross-connect points; (5) out-of-band signaling transfer points necessary to exchange traffic at these points and to access call-related databases; and (6) the points of access to UNEs. Verizon DC also provides access to customer local signaling services ("CLASS") services, two types of interconnection for CLECs to access Verizon DC's signaling transfer point ("STP") through Access Link and Digital Link, nondiscriminatory access to databases (800, line information data base, local number portability, and advanced intelligent network), and trunking access to 911, directory assistance ("DA"), and operator services ("OPS"). Verizon DC has provided more than 600 trunks to facilities-based CLECs for DA and OPS. In addition, Verizon DC has made available interconnection through two-way measured trunks, the traditional 56Kbps trunks, and optional 64 Kbps Clear Channel trunks.[59]

2. CLEC Trunk Numbers

At the end of April 2002, Verizon DC served more than 20 CLECs with about 26,800 direct end-office trunks in service and about 51,400 tandem trunks in service. For the months of January through April 2002, Verizon DC exchanged 570 million minutes on average with CLECs.[60] Verizon DC offers trunk provisioning in three categories (with forecasts, 18 and 30-day intervals and a negotiated interval without forecasts, 45 and 198-day intervals and a negotiated interval) on the basis of the forecasts from CLECs.[61] Verizon DC provides maintenance and repair for CLECs on a nondiscriminatory basis, which it says is evidenced in metric MR-2-01 of the C2C or DC Guidelines.[62] Verizon DC states that trunk blocking is not an issue and that the average utilization rate for the three months ending April 2002 for CLECs was

[57] This declaration, sponsored by numerous witnesses, is offered to demonstrate that Verizon DC has complied with the 14-point competitive checklist in Section 271(c)(2)(B). Verizon DC points out that the Verizon states of Pennsylvania, Massachusetts, New York, Connecticut, Rhode Island, Vermont, Maine, and New Jersey, as well as the FCC, have all verified Verizon's compliance with the competitive checklist.

[58] Verizon DC Checklist Declaration at ¶¶ 24-29.

[59] Verizon DC Checklist Declaration at ¶¶ 32-35.

[60] Verizon DC Checklist Declaration at ¶ 38.

[61] Verizon DC Checklist Declaration at ¶¶ 41-43.

[62] *See, Formal Case No. 990, In the Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Order No. 12230, Attachment 1, rel. November 9, 2001.

43.1 percent, compared to Verizon DC's rate of 54.3 percent, indicating better service as evidenced by a lesser chance of blocking provided to CLECs than to its own customers.[63]

3. Collocation

Verizon DC offers the same collocation arrangements in the District of Columbia as other Verizon affiliates do in Pennsylvania, Massachusetts, New Jersey, and New York.[64] For physical collocation, Verizon DC offers Traditional Caged Collocation, Secure Collocation Open Physical Environment ("SCOPE") for single bay requests, Cageless Collocation Open Environment ("CCOE"), and Virtual Collocation. Verizon DC also offers collocation alternatives where space is not available. Such alternatives include Shared Collocation, which permits a CLEC to host another CLEC; Adjacent Structure Collocation with access to its central office through its Competitive Alternative Transport Terminal service; and Collocation at Remote Terminal Equipment Enclosures ("CRTEE"). Through April 2002, Verizon DC had provisioned 242 collocation augments to 41 CLECs, with five augments pending. For the months of February 2002 to April 2002, Verizon DC states that it met the intervals required by the C2C Guidelines for each of its collocation offerings.[65]

Verizon DC asserts that it proactively optimizes collocation space in all 14 of its central offices. It provides website access, provides tours, and files central office exhaustion notifications when necessary. Verizon DC avers that it has implemented comprehensive collocation methods and procedures to include joint testing with CLECs with Collocation Acceptance Meetings. Verizon DC conducts quality inspections for collocation arrangements through a pre-acceptance checklist, conducts testing at a cross-connect bay, and performs voluntary cooperative testing for physical collocation. Verizon DC also provides all pertinent collocation information in its CLEC handbook and on its website.[66]

Rates and charges for collocation arrangements were addressed in the Commission's Order No. 11979 in Formal Case No. 962. With the exception of CRTEE and Dedicated Transport Service ("DTS"), Verizon DC and several CLECs such as AT&T, Worldcom, and Sprint, agreed upon all rates and charges.[67] On December 3, 2002 and December 12, 2002, the Commission released Orders Nos. 12608 and 12614, respectively, approving Verizon DC's collocation tariff filing, which included rates, charges, and other terms and conditions.[68] Verizon DC's collocation tariff became effective on December 20, 2002.[69]

63 Verizon DC Checklist Declaration at ¶ 48.

64 Verizon DC Checklist Declaration at ¶¶60-61.

65 Verizon DC Checklist Declaration at ¶¶70-71.

66 Verizon DC Checklist Declaration at ¶¶ 78-79.

67 Verizon DC Checklist Declaration at ¶ 90.

68 *Formal Case No. 962, In The Matter Of The Implementation Of The District Of Columbia Telecommunications Competition Act Of 1996 And Implementation Of The Telecommunications Act Of 1996,* Order No. 12608, rel. December 3, 2002; Order No. 12614, rel. December 12, 2002. Verizon DC's collocation tariff becomes effective upon publication in the *D.C. Register*.

4. Analysis and Conclusions

Verizon DC has presented evidence generally demonstrating its provision of required interconnection and collocation facilities and services. Verizon DC's evidence shows that it is providing the usual facilities and services in substantial quantities to CLECs, that it is providing them under arrangements similar to those implicitly accepted by the FCC through its Section 271 approvals in neighboring states, and that it is providing them in general accord with applicable quality of service requirements. The CLECs and OPC do not present substantial evidence challenging the types and levels of service provided by Verizon DC in connection with this checklist item. Therefore, in the absence of material, specific defects in Verizon DC's offerings and performance with respect to interconnection and collocation, this Commission finds that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(i).

Although the Commission generally finds that Verizon DC has met the requirements to satisfy Item 1 of the Checklist, the parties have raised several specific issues of concern that require further discussion by this Commission. These issues are addressed below.

B. Return of Collocation Space

1. AT&T

AT&T states that Verizon DC does not have a proper policy or procedure to address the return of collocation space.[70] Verizon DC's tariff provides that when a CLEC has returned a collocation space to Verizon DC, any other CLEC can use this space at a prorated price. Since the original CLEC paid for the construction, it receives a credit from Verizon DC. In its declaration, AT&T states that an extremely small number of the collocation arrangements returned to Verizon DC have produced reuse arrangements. It is unclear what types of collocation arrangements have been reused. AT&T states that Verizon DC does not offer or advertise reusable collocation space to potential collocators, even though virtually all of Verizon DC's central offices have reusable collocation space available. Verizon DC has not provided information regarding reusable space to the CLECs according to AT&T, even upon request, nor is there a process in place to track returned space. AT&T suggests that the Commission require Verizon DC to provide this information periodically to CLECs.

2. Verizon DC Reply

With respect to AT&T's argument about the return of collocation space, Verizon DC states that it has been working with AT&T to resolve these complex refund calculation issues.[71]

69 *See*, 49 *D C. Reg.* 11449 (December 20, 2002.)

70 AT&T Checklist Declaration at ¶¶ 40-45.

71 Verizon DC Reply Checklist Declaration at ¶ 19.

Verizon DC also points out that AT&T had an opportunity to raise this issue during the Commission's recent review of Verizon DC's collocation tariff application, but AT&T failed to file any comments. AT&T has received two notification letters of credits that it is due according to Verizon DC,[72] which state that, "[o]n a going forward basis, Verizon DC indicates that it will issue notification letters to the vacating CLEC when space has been reassigned and occupied by a subsequent collocator or reused by Verizon DC. In addition, Verizon DC has offered to issue the vacating CLEC credits within a specified time frame upon receipt of payment from the subsequent collocator."[73]

Verizon DC maintains that it has provided AT&T with a list of returned space (Attachment 213 to the Verizon DC Reply Checklist Declaration is Verizon's November 29, 2001 response to AT&T's inquiry on returned space), and that AT&T already has the ability to track this information itself, because Verizon DC halts monthly billing for returned space after its return is accepted.[74] Verizon DC states that it does not have an obligation to actively advertise this space, nor should it have to devote extensive resources to maintain and post returned space information that would be subject to continuous change.[75]

Verizon DC says that it makes collocation space availability known in accordance with state and federal requirements on its website, which it updates within 10 days after determining that new space is available. The Company contends that it would be burdensome and of little practical value to require it to add an indicator of returned space to its publicly available information. Verizon DC considers it more appropriate for those CLECs who have returned space to communicate its availability to other CLECs. Verizon DC also testified that it can not determine any discount or reduced price for returned space, because collocation costs are subject to so many other important variables.[76]

3. Analysis and Conclusions

When CLECs no longer have a use for collocation space at Verizon DC facilities, they may return control of that space to Verizon DC. However, collocation space is often expensive to prepare. CLECs must pay the costs of that preparation as well as for occupying the space. Those payments may take place over time. Verizon DC is entitled to recover its costs when CLECs vacate collocation space before completing payments associated with it. However, a subsequent CLEC may take over the space, in which case, the parties seem to agree that the new CLEC will pick up a fair share of the payments to which the first CLEC was obligated.

AT&T contends that very little of the collocation space being returned eventually produces offsetting payments to the first CLEC due to occupancy of the second CLEC. AT&T

72 Verizon DC Reply Checklist Declaration at ¶ 20.

73 Verizon DC Reply Checklist Declaration at ¶ 21.

74 Verizon DC Reply Checklist Declaration at ¶22.

75 Verizon DC Reply Checklist Declaration at ¶¶ 22-23.

76 Verizon DC Reply Checklist Declaration at ¶24.

does not specifically allege that Verizon DC is refusing to make returned space available to other CLECs, or that it is doing so but failing to give credit to the first CLEC. AT&T's specific allegation is that Verizon DC, in effect, is not helping the first CLEC by marketing the space that has been returned, or by at least doing enough to make other CLECs aware of the existence of such space.

When CLECs discontinue use of Verizon DC collocation space and return it to Verizon DC, the parties agree that those CLECs are entitled to credit against their collocation payment obligations when another CLEC begins to use that space. The disagreement raised by AT&T concerns the adequacy of Verizon DC's efforts to make other CLECs aware that such space exists and that its use by a subsequent CLEC might save that CLEC substantial sums of money, because the first occupying CLEC has already paid substantial portions of the costs of preparing the space for collocation.

The evidence shows that Verizon DC generally makes availability of collocation space known by listing the offices at which there is no such space. In other words, Verizon DC does not affirmatively list available space that other CLECs have returned. The testimony also demonstrates that Verizon DC does respond to specific CLEC inquiries about returned space, when a CLEC initiates them. The evidence also shows that whether a second CLEC can make economical use of space returned by another CLEC depends on the second CLEC's specific requirements at particular Verizon DC locations. It is not reasonable to expect Verizon DC to possess advance knowledge about CLEC needs at a level that will allow it to predict whether existing or new space will best serve. Moreover, CLECs know as well as Verizon DC does that substantial space is likely to have been returned by others. They have the ability to raise inquiries about available space of all kinds, including that returned by other CLECs. In addition, a CLEC that has returned space has the ability to make other CLECs aware of its nature and location. Finally, the evidence demonstrates that CLECs do have an effective basis for determining the status of their returned space, from billing information routinely provided to them.

Therefore, no competitive harm arises from Verizon DC's failure to serve in a marketing or advertising role for CLECs who have returned space. There is no evidence indicating that Verizon DC fails to make such returned space available to other CLECs, that it fails to respond to CLEC inquiries about returned space availability, or that it fails to credit the returning CLEC properly when its space is used by another CLEC. This Commission concludes, therefore, that Verizon DC's conduct in this area of performance matter is consistent with its Checklist Item 1 obligations.

AT&T also asks that Verizon DC be required to note on the website where discounted space is available by central office and to develop procedures to prioritize space reassignment. AT&T also asks that the amortization period for credits to vacating CLECs be extended from 12 to 30 years.[77] This request incorrectly assumes that returned space must of necessity be cheaper for the next CLEC than its other alternatives. In addition, AT&T has failed to address the reason

[77] AT&T Post Hearing Brief, p. 12.

for extending the amortization period or to explain why that issue is not more properly a function of the collocation proceeding just completed in Formal Case No. 962.

This Commission finds that Verizon DC's policies and practices with respect to the treatment of CLEC-returned collocation space comport fully with its obligations under Checklist Item 1, pursuant to the requirements of Section 271(c)(2)(B)(i).

C. Federal Collocation Tariff

1. AT&T

A second AT&T issue is Verizon DC's proposal to withdraw its federal collocation tariff. Verizon DC filed an application with the FCC in August of 2002 to discontinue expanded interconnection service. Under Verizon DC's proposal, carriers with federally tariffed physical collocation arrangements would no longer have access to the federally tariffed physical collocation supporting services. AT&T maintains that withdrawal would create an administrative burden for the CLECs.[78] AT&T asserts that the proposed changes affect critical rates, terms, and conditions for federally tariffed services, which are critical to provisioning collocation. AT&T further contends that the changes would create substantial administrative and billing burdens that could affect hundreds of collocations throughout the Verizon footprint.[79]

2. Verizon DC Reply

Verizon DC responds that this issue concerns its request to the FCC to amend a federal tariff, and is therefore not properly a part of a District of Columbia Section 271 proceeding.[80] Also, AT&T did not contest this issue in the collocation tariff proceeding just concluded in Formal Case No. 962, where this issue more properly could have been raised.

3. Analysis and Conclusions

AT&T raises a concern that Verizon DC's current efforts to withdraw its FCC collocation tariff reflect upon the ILEC's compliance with Checklist Item 1 requirements.[81] This allegation is not a proper issue for consideration by this Commission. The FCC has the sole responsibility for ruling on the merits of Verizon DC's request regarding a federal tariff. This Commission will not presuppose an FCC ruling that would be inconsistent with Verizon DC's federal obligations. The propriety of Verizon DC's withdrawal may be taken up directly with the FCC, either in the FCC proceeding addressing the tariff, or in the FCC's consideration of the Verizon DC Section 271 application.

78 AT&T Checklist Declaration at ¶¶ 46-49.

79 AT&T Checklist Declaration at ¶¶ 47-48.

80 Verizon DC Reply Checklist Declaration at ¶¶ 26-27.

81 AT&T Checklist Declaration at ¶¶46-49 and Verizon DC Checklist Reply Declaration at ¶¶26-27.

This Commission finds that the pendency of a change to Verizon DC's federal collocation tariff does not provide grounds for a conclusion that Verizon DC fails to meet its obligations under Checklist Item 1, pursuant to the requirements of Section 271(c)(2)(B)(i).

D. Single Point of Interconnection

1. Summary of the Evidence

No participant presented any prehearing filings addressing Verizon DC's obligation to provide CLECs with a single point of interconnection per LATA. However, this issue was addressed on cross-examination of Verizon DC by AT&T. AT&T also raised it in its brief.[82] The issue arose in AT&T's questioning of Verizon DC about a new Model Interconnection Agreement offered by Verizon DC that AT&T said it learned about several weeks before the hearings. Questioning by AT&T addressed the issue of whether Verizon DC is complying properly with its obligation to provide CLECs with a single point of interconnection in a LATA.[83]

Three tandem switches serve the Washington area LATA, which includes territory within the District of Columbia, Northern Virginia, and parts of Maryland. Verizon is moving to a network configuration that will use one of the tandems for traffic in each of these three portions of the LATA. Upon cross-examination by AT&T, Verizon DC conceded that the Model Interconnection Agreement would require trunking to all three tandem switches if a party wished its single point of interconnection to have the capability to exchange traffic with the two LATA tandem switches that serve areas other than the one where a CLEC has interconnected.[84] For example, if a CLEC were to interconnect at the tandem in the District of Columbia, it could not complete calls to customers served by the LATA's tandem switches in Maryland and Virginia, unless it made arrangements for trunking to them.

Verizon DC's witness was not aware whose responsibility it would be to pay for the trunks, but clearly suggested that the trunks would be considered to be on the CLEC's, not Verizon DC's, side of the single point of interconnection.[85] Verizon DC also says that the provisions questioned by AT&T, which are termed Geographically Relevant Interconnection Points ("GRIP"), do not appear in its current Model Interconnection Agreement and that it "may" seek voluntary agreement to GRIP in future negotiations with CLECs.[86]

82 Post Hearing Brief of AT&T, pp. 15-24.

83 *In the Matter of Developing a Unified Intercarrier Compensation Regime*, Notice of Proposed Rulemaking, 16 FCC Rcd 9610 (2001); *MCI Telecommunications Corp.* 271 F.3d at 517-518.

84 Tr. at p. 124.

85 Tr. at p. 126.

86 Verizon DC Post Hearing Brief, p. 9.

2. Analysis and Conclusions

AT&T questions whether the GRIP provisions in the new Model Interconnection Agreement violate Verizon DC's obligation to allow a single point of interconnection per LATA. Verizon DC describes the Model Interconnection Agreement as its opening point for negotiations, rather than as an inflexible demand. There was no evidence presented in pre-filed testimony and comments or during cross-examination that any CLEC is operating under these provisions at the present time; AT&T did not allege or present testimony that its own interconnection agreement with Verizon DC includes such a requirement or that Verizon DC has urged it to accept one in any negotiations that have taken place.

Whether an agreement with a GRIP provision ever will come before this Commission for review is therefore speculative. Should negotiation of future interconnection agreements stumble over this provision, federal law provides for arbitration in the context not of hypothetical concerns, but real, present issues of contest between ILECs and CLECs. The FCC has held that such procedures, rather than Section 271 approval proceedings, offer an appropriate means for addressing such matters.[87]

Given the absence of a showing that Verizon DC engages in any pattern of holding to patently unreasonable positions as a strategy to force undue concessions from CLECs, this Commission concludes that hypothetical concerns about the potential future use of GRIP does not provide a basis for finding that Verizon DC fails to meet its obligations under Checklist Item 1, pursuant to the requirements of Section 271(c)(2)(B)(i).

[87] *Memorandum Opinion and Order, Application by Bell Atlantic New York for Authorization Under Section 271of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd 3953 ¶76 (1999) ("New York Order"); SBC Kansas/Oklahoma Order ¶234.

IV. Checklist Item 2: Nondiscriminatory Access to Network Elements

A. Verizon DC Declaration

1. General

Verizon DC states that it provides nondiscriminatory access to network elements separately and in combined form in the District of Columbia, as it does in New York, Massachusetts, Pennsylvania, and New Jersey, through its interconnection agreements with CLECs.[88] It uses the same network facilities to provide and to maintain UNEs to CLECs as it does to its end-users.[89] Verizon DC provides UNEs including loops, dedicated local transport, and dedicated end-office and tandem switching ports on a standalone basis. Verizon DC also offers virtual and physical collocation in its central offices.[90] The Company also offers combinations such as UNE-P and EELs.[91] This declaration also addresses OSS issues, but, given the particular focus placed upon them by the participants, this report addresses OSS matters later and separately.[92]

2. Analysis and Conclusions

Verizon DC presents evidence generally demonstrating that its provision of required UNE access is similar to the access provided in other Verizon jurisdictions, where the FCC already has granted Section 271 approval. The CLECs and OPC did not present substantial evidence challenging the types and levels of service provided by Verizon DC in connection with this checklist item. Therefore, based on Verizon DC's representations and, in the absence of material, specific defects in Verizon DC's offerings and performance with respect to UNE access, this Commission concludes that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(ii).

88 Verizon DC Checklist Declaration at ¶ 96.

89 Verizon DC Checklist Declaration at ¶ 97.

90 Verizon DC Checklist Declaration at ¶ 98.

91 Verizon DC Checklist Declaration at ¶ 100.

92 See the Verizon DC OSS Declaration at ¶¶ 17-19. In summary, Verizon DC's assertions in this declaration about OSS were that a single set of Verizon OSS and interfaces serve the District of Columbia, Virginia, Maryland and West Virginia, and that Verizon DC provides the same support for CLECs in the District of Columbia as it does in these other states. Verizon DC also says that its OSS for the District of Columbia provides the same interfaces, change management processes and CLEC support features that the FCC has reviewed and approved in connection with Verizon's 271 applications in New York, Massachusetts, Connecticut, Pennsylvania, Rhode Island, Vermont, New Jersey and Maine.

B. UNE Rates

1. AT&T

AT&T states that Verizon DC's Section 271 application should not even be considered until the Commission adopts lower permanent TELRIC rates.[93] It claims that the existing interim rates are too high to enable the CLECs to enter the local exchange market. AT&T argues that lower UNE rates are a prerequisite for mass-market competition and that the Commission should not consider Verizon DC's Section 271 application until lower UNE prices are in place and competition has had a chance to develop. AT&T urges this Commission to require Verizon DC to accept the results of the decision in Formal Case No. 962 without appeal or reconsideration, before receiving a favorable Section 271 recommendation. In support of its position, AT&T cited the fact that Verizon New Jersey ("Verizon NJ") challenged UNE rates in that state shortly after approval of the Section 271 application there, and the fact that Verizon Pennsylvania ("Verizon PA") filed for a doubling of UNE rates there shortly after receiving Section 271 approval.[94]

2. OPC

OPC states that the interim rates set by the Commission do not reflect Verizon DC's forward-looking costs, and they do not account for the declining cost trends that Verizon DC has experienced. The absence of final TELRIC-based rates poses a barrier to competitive entry and precludes Verizon DC from meeting this checklist item.[95] Additionally, OPC suggests that Verizon DC should be required to demonstrate that Verizon DC's "ExpressTRAK" functions properly to minimize errors in wholesale bills. OPC contends that the FCC has not reviewed this new ordering and billing system in connection with a Verizon 271 application, and Verizon has not yet fully implemented it in Virginia, Maryland or the District of Columbia.[96]

3. WorldCom

WorldCom argues that any UNE rate decision should not be relied upon to support Section 271 compliance, because there must be a period during which Verizon demonstrates its compliance with and implementation of that decision.[97] WorldCom cites the consultative report of the New Jersey Board of Public Utilities ("NJ BPU") as authority for the proposition that Verizon legal challenges to state commission-established UNE prices or attempts to change those prices may raise concerns about Verizon's compliance with applicable requirements.

93 AT&T Checklist Declaration at ¶ 9.

94 AT&T Post Hearing Brief, pp. 8-9.

95 OPC Lundquist Declaration at ¶ 5.

96 OPC Lundquist Declaration at ¶ 20.

97 WorldCom Brief, pp. 8-10.

4. Verizon DC Reply

Verizon DC responds to OPC and AT&T arguments on the issue of UNE rates by pointing out that UNE rates will not be set in this proceeding; they were to be set in Formal Case No. 962. All of the pricing claims raised by the parties will be disposed of in that case, and the Commission should reject claims that Verizon DC is not compliant with Checklist Item 2.[98]

5. Analysis and Conclusions

A number of participants have correctly noted the importance of establishing cost-based UNE rates that conform to TELRIC standards. However, complaints about the existence of temporary UNE rates and whether they are properly based upon TELRIC principles and requirements are moot, because the Commission set permanent, TELRIC-based UNE rates in Formal Case No. 962, Order No. 12610.[99]

This Commission does not agree with the necessity or propriety of requests that Verizon DC be made to accept unconditionally the decision in Formal Case No. 962. Requiring that a party waive its rights to appeal, or its ability to make lawful requests before a decision-making body, is not an appropriate remedy except in the rarest of circumstances. No compelling reason for doing so has been shown to exist here. This Commission's responsibility is to establish UNE rates and to advise the FCC of the compliance of those rates with FCC requirements. Verizon DC, like any other party in interest, has the legal right to challenge these UNE rates or to petition the Commission to change them in the future.

However, the District of Columbia Code provides that once a petition for reconsideration is filed by a party to a proceeding, the order upon which the petition for reconsideration is based is stayed until the order on reconsideration is issued.[100] Verizon DC filed its application for reconsideration on January 3, 2003, without requesting such a stay. Thus, the rates in effect before the issuance of Order No. 12610 were the now-invalidated proxy rates, which are not TELRIC-compliant. Because no other rates are currently in effect in the District of Columbia, there are no TELRIC-based rates in the District of Columbia. Verizon DC has outlined a proposed solution to this problem, which includes the use of New York UNE rates benchmarked to the District of Columbia in interconnection agreement amendments. Because Verizon DC has not yet submitted an amended interconnection agreement to the Commission, the Commission has not yet had the opportunity to review any amendment. At such time that Verizon DC submits, and the Commission approves such interconnection agreement amendments, there will be UNE rates other than the proxy rates existing in the District of Columbia. The Commission may then be able to find that Verizon DC complies with Section 271(c)(2)(B)(ii).

98 Verizon DC Checklist Reply Declaration at ¶¶ 29-31.

99 *Formal Case No. 962, In The Matter Of The Implementation Of The District Of Columbia Telecommunications Competition Act Of 1996 And Implementation Of The Telecommunications Act Of 1996,* Order No. 12610, rel. December 6, 2002.

100 D.C. Code, 2001 Ed. § 34-604(b)

V. Checklist Item 3: Poles, Ducts, Conduits, and Rights-of-Way

A. Verizon DC Declaration

Verizon DC must offer nondiscriminatory access to poles, ducts, conduits and rights-of-way under Section 271(c)(2)(B)(iii). Verizon DC states that it meets this checklist item through its application of the processes and procedures it has in place. It notes that it was providing 8,248 pole attachments and access to 1,886,669 feet of conduit as of April 30, 2002. Verizon DC asserts that no carrier has requested access to Verizon DC's rights-of-way.[101] For the period of February through April 2002, Verizon DC indicates that it received only four applications for access to ducts and conduits. Verizon DC provided no licenses for pole attachments during that period.

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this checklist item. Hence, the record in this proceeding is devoid of any evidence contradicting Verizon's declaration regarding this issue.

C. Analysis and Conclusions

Verizon DC's declaration demonstrates that it is providing access to poles, conduits, ducts, and rights-of-way as requested by CLECs. No other participant challenges Verizon DC's representations with respect to this checklist item. Therefore, the Commission finds that Verizon has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(iii).

[101] Verizon DC Checklist Declaration at ¶ 105.

VI. Checklist Item 4: Local Loop Transmission From the Central Office to the Customer's Premises, Unbundled from Local Switching and Other Services

A. Verizon DC Declaration

1. General

Verizon DC states that it provides local loops unbundled from local switching in the District of Columbia in the same way that it provides access in all other states where it has received Section 271 approval.[102] Verizon DC offers analog and digital 2-wire and 4-wire circuits, which CLECs can use to offer a full range of services, including plain old telephone service ("POTS"), Integrated Service Digital Network ("ISDN"), Asymmetrical Digital Subscriber Line ("ADSL") , High-Rate Digital Subscriber Line ("HDSL") , DS-1 (1.544 Mbps digital transmission), and DS-3 (45Mbps digital transmission). Verizon DC also provides line sharing, and has agreed to engage in line splitting.[103] Verizon DC states that it has met the requirements for the installation and maintenance of such services as required by the associated metrics measurements in the DC Guidelines.[104] Verizon DC asserts that tests of hot-cuts in other jurisdictions have demonstrated that Verizon DC performs them efficiently and with a high degree of quality.[105]

2. xDSL Loops

Verizon DC states that it provides the same digital loop ('xDSL") offerings in the District of Columbia as Verizon does in Pennsylvania, Massachusetts, New Jersey, and New York.[106] Referring to the C2C Guidelines, Verizon DC asserts that the six-day completion rate for xDSL orders in the District of Columbia was 98.72 percent for the period of February 2002 to April 2002. For xDSL orders, Verizon DC claims that the completion rate was 98.92 percent in cases where facilities were available. Verizon DC states that the "Percent Installation Troubles Within 30 Days of Installation" measurement for xDSL orders was 4.75 percent, while the POTS measurement was 8.54 percent for the same period.[107] It also states that the total measured trouble rate on UNE xDSL loops was a very low and acceptable 0.50 percent from February to April 2002. The "Percent Missed Repair Appointment" metric measurement for the same time period was 4.48 percent for xDSL and 18.16 percent for POTS. The average-time-to-repair measurement for xDSL was 16.83 hours, as compared to 21.79 hours for the retail group.[108]

102 Verizon DC Checklist Declaration at ¶ 121.

103 Verizon DC Checklist Declaration at ¶¶ 123-124.

104 Verizon DC Checklist Declaration at ¶ 127.

105 Verizon DC Checklist Declaration at ¶¶136-138.

106 Verizon DC Checklist Declaration at ¶ 141.

107 Verizon DC Checklist Declaration at ¶¶147-149.

108 Verizon DC Checklist Declaration at ¶¶150-152.

3. Line Sharing and Splitting

Verizon DC also contends that it provides line sharing to CLECs in accordance with the FCC's *Line Sharing Order*.[109] Verizon DC states that it uses the same methods and procedures for line sharing that Verizon PA uses, which the FCC found to be satisfactory.[110] From February to April 2002, Verizon DC completed 98.65 percent of line sharing orders on time. The "Percent Missed Appointments-No Dispatch" measurement was 1.35 percent for CLECs and 4.43 percent for Verizon DC's retail service. The measurement for "Percent Troubles Within 30 Days" was 1.74 percent for CLECs and 0.52 percent for Verizon DC. For xDSL maintenance on line sharing, Verizon DC reported an average of 14.61 hours to repair as compared to 23.83 hours to repair for the retail comparison group.[111] Verizon DC commits to providing line splitting in the District of Columbia as Verizon PA does in Pennsylvania in accordance with the FCC's *Line Sharing Order*.[112]

4. Sub-Loops

Verizon DC notes that, for Pennsylvania, the FCC found that Verizon PA was providing proper and sufficient access to unbundled sub-loops. Verizon DC states that it is providing unbundled sub-loops in the same way in the District of Columbia as Verizon PA offers this product. Connection points include the main distribution frame ("MDF") at Verizon DC's central offices, the network interface device ("NID"), and the Rate Demarcation Point at the customer's premise.[113] Verizon DC also provides unbundled sub-loops at its remote terminal/feeder distribution interface and at DS-1 and DS-3 levels.

To facilitate interconnection and to provide feeder and distribution sub-loops, Verizon DC states that it has deployed Telecommunications Carrier Outside Plant Interconnection Cabinets ("TOPIC"). As of April 2002, Verizon DC states that it has entered into 35 distribution sub-loop offerings. Verizon DC also offers sub-loop unbundling for House and Riser Cable ("HARC") where Verizon DC owns the facilities. Verizon DC provides HARC on a time and materials basis for installation and repair. Verizon DC supplies a NID for the CLEC to connect to for service provisioning.[114]

109 *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order in CC Docket 98-147 and Fourth Report and Order in CC Docket No. 96-98 ("Line Sharing Order"), 14 FCC Rcd 20912 (1999).

110 Verizon DC Checklist Declaration at ¶¶153-154.

111 Verizon DC Checklist Declaration at ¶¶164-165.

112 Verizon DC Checklist Declaration at ¶ 167.

113 Verizon DC Checklist Declaration at ¶ 169.

114 Verizon DC Checklist Declaration at ¶¶170-172.

5. High Capacity Loops

Verizon DC states that it offers unbundled high capacity loops, including DS-1 and DS-3 levels. As of April 2002, Verizon DC had provisioned approximately 190 of these loop types. Verizon DC moves existing customers served on high capacity loops to other facilities when it is necessary to fill a CLEC's unbundled high capacity loop order. Verizon DC fills CLEC orders by providing the necessary equipment in the central office and by providing the correct equipment at the customer premises. Verizon DC also corrects conditions on existing copper facilities when necessary. Verizon DC states that its percent missed appointments for the period February to April 2002 for DS-1 loop types was 1.11 percent, as compared to 9.58 percent for retail service. Verizon DC says that it provisioned no DS-3 loops during this time period. Verizon DC acknowledges that it did not make maintenance and repair reporting on these high capacity loops, because it found errors in the data gathering.[115]

6. EELS

Verizon DC states that it offers Expanded Extended Loops ("EELs") consistent with the offering required by the FCC in the Pennsylvania Section 271 Order.[116] No evidence was presented to this Commission that would contradict Verizon's claim.

7. Analysis and Conclusions

Verizon DC presents evidence generally demonstrating that its provision of required access is similar to what occurs in other Verizon jurisdictions where the FCC has already granted it Section 271 approval and where other states have advised the FCC that Verizon complies with the requirements of this checklist item, Section 271(c)(2)(B)(iv). The CLECs and OPC do not present substantial evidence challenging the types and levels of service provided by Verizon in connection with this checklist item. Therefore, based on Verizon DC's representations and, in the absence of material, specific defects in Verizon DC's offerings and performance with respect to local loop access, the Commission concludes that Verizon has demonstrated compliance with this checklist item.

Although the Commission has found Verizon DC to be generally in compliance with this checklist item, the parties have addressed specific issues that require additional Commission discussion. These issues are addressed below.

B. "No Facilities" Claims

1. Allegiance

115 Verizon DC Checklist Declaration at ¶¶174-178.

116 Verizon DC Checklist Declaration at ¶ 181.

Allegiance believes that Verizon DC rejects orders for these DS-1 loops an inordinate number of times for "no facilities" reasons.[117] Verizon DC routinely rejects these orders for several reasons, but Allegiance contends that some rejections could easily be corrected to permit order completion.[118] Allegiance states that Verizon released a July 2001 letter to its CLEC customers outlining its no-facilities policy. Verizon states in the letter that it would reject UNE loop orders for any one of the following reasons:

- There is no existing repeater shelf in the central office location or remote terminal;
- There is no existing apparatus/doubler case;
- There is no riser cable or buried drop if a trench or conduit is not provided; or
- The copper cable is defective and there are no pairs available.[119]

Allegiance alleges that Verizon Virginia ("Verizon VA") admitted in the Virginia Section 271 process that it rejects 30 percent of all high capacity UNE loop orders, and this percentage is consistent throughout its region.[120] Allegiance also observes that Verizon Maryland ("Verizon MD") conceded in Maryland Section 271 proceedings that it does not reject retail orders due to a lack of facilities in cases where it is necessary to perform similar activities to provide the requested services.

Allegiance describes two reasons for Verizon DC order rejections ("no repeater shelf" and "no apparatus/doubler case") that could readily be eliminated through minor and inexpensive equipment additions or adjustments. Allegiance claims that it has attempted to resolve the problem, and has offered to pay the cost of the adjustments, but Verizon DC still has refused to change its policy.[121]

When it rejects an order, Allegiance says, Verizon DC gives two options: (1) cancel the order and reissue it at a later date when facilities are available; or (2) cancel the order and submit a separate one for special access, which is available as a tariffed service. Neither option is satisfactory to Allegiance; each causes Allegiance delay that its customers will not tolerate. In most cases, Allegiance says that it loses the customer.[122] Allegiance asserts that, if special access is available, it takes this option to retain the customer, but the price it pays Verizon DC is more expensive[123] for installation and for the associated monthly recurring charges ("MRCs"). As an example, Allegiance says that the Density Cell One monthly recurring charge is $187.18 for a UNE DS-1, as compared with a charge of $198.24 for special access. The UNE nonrecurring

117 Allegiance Affidavit at ¶ 4.

118 Allegiance Affidavit at ¶ 5.

119 Allegiance Affidavit at ¶ 5.

120 Allegiance Affidavit at ¶ 6.

121 Allegiance Affidavit at ¶ 7.

122 Allegiance Affidavit at ¶ 9.

123 Allegiance Affidavit at ¶ 14.

charges are $61.22, while the comparable charge for special access is $157.27. Allegiance further alleges that Verizon rejects UNE orders for lack of facilities at significantly higher rates than other do RBOCs (*e.g.*, Verizon rejected 23 percent in May 2002, as compared to three percent for all other RBOCs combined).[124]

2. AT&T

AT&T objects to the three-step process it says CLECs must use to order high capacity loops. AT&T considers the process costly, burdensome, and untimely. AT&T has the same concern as Allegiance regarding the "no facilities" issue for DS-1 and DS-3 UNEs.[125] AT&T says that, after order rejection at step one, it must complete step two, which consists of placement of a special-access order. This step, AT&T notes, can involve provisioning delays of as much as two months. The third step in the process involves the conversion of the special access circuit, after it is provisioned as a retail service, to a UNE.[126] AT&T notes that Verizon has stated that it refuses to provision high capacity facilities as UNEs whenever construction is required. Because Verizon DC is able to self-define when facilities are available and when construction is necessary, it can reject whatever portion of the CLEC's order it deems appropriate to reject, according to AT&T.

AT&T would agree to resolution of the issue in separate proceedings, and asks that intrastate special access be priced at TELRIC-based rates. AT&T also requests the development of metrics and the institution of PAP payments for special access.[127] AT&T notes that UNE-comparable pricing for special access was precisely the remedy adopted by the Massachusetts Department of Telecommunications and Energy ("MA DTE") to address this problem.[128]

3. OPC

OPC argues that Verizon DC's performance for DS-1 and DS-3 facilities demonstrates discriminatory behavior with respect to the "no facilities" issue, because Verizon DC treats CLEC DS-1 and DS-3 UNE loop and interoffice orders differently than those submitted by end-users.[129] OPC believes that, until Verizon DC corrects this imbalance, it cannot be found to have met this checklist requirement. OPC notes that Verizon RI has stated that it does not reject orders for DS-1 or DS-3 for its retail customers when facilities are not available.[130] OPC believes that Verizon DC's offering of special access when facilities are not available does not

124 Allegiance Affidavit at ¶ 17.

125 AT&T Nurse/Kirchberger Checklist Declaration at ¶ 27.

126 AT&T Nurse/Kirchberger Checklist Declaration at ¶¶26-30.

127 AT&T Post Hearing Brief, p. 25.

128 AT&T Post Hearing Brief, p. 29.

129 OPC Lundquist Declaration at ¶ 32.

130 OPC Lundquist Declaration at ¶ 34.

provide equal treatment.[131] OPC states that the Commission should find Verizon DC's provisioning policies and practices discriminatory and anti-competitive. OPC also recommends the institution of a performance measure addressing orders for which facilities are not available.[132]

OPC argues that a continuation of the current Verizon DC pricing policies will allow Verizon DC to over-recover costs, as compared with "more appropriate," TELRIC based rates.[133] OPC argues that the adoption of a CLEC-only special access tariff priced at UNE rates (similar to that adopted by the New Hampshire Public Utilities Commission) would address such a concern.

4. Verizon DC Reply

Verizon DC argues that it "... does not have an obligation to build new facilities or add electronics to existing facilities for the purpose of providing those facilities as an unbundled element."[134] Verizon claims that its DS-1 UNE provisioning policy is consistent with what the FCC requires. The CLEC argument that Verizon DC retail customers are getting preferential treatment is, according to the incumbent, a false one, because UNEs are not the same as services purchased by retail customers.[135] Verizon DC acknowledges that it does build new facilities under its special access tariff, but notes that it does so not just for its end-use customers, but for CLECs, as wholesale customers, as well.

Verizon DC contends that its duty is to charge uniform pricing only to similarly situated customers. In both the New Jersey and Pennsylvania Section 271 cases, where Verizon applied the same polices that it uses in the District of Columbia, the FCC found that Verizon did not violate FCC unbundling rules, and it did find checklist compliance.[136] Verizon DC recognizes that the FCC has issued a Notice of Proposed Rulemaking (the Triennial Review Notice) on the issue of facilities for high capacity loops; however, unless or until the FCC rules are modified, Verizon DC plans to continue to provide facilities according to current law.

Verizon DC believes that the Eighth Circuit Court of Appeals decision in *Iowa Utilities Board v. FCC* makes clear that ILECs need only unbundle their existing networks for use by competitors.[137] Verizon DC contends that the Eighth Circuit has ruled that a CLEC cannot require facilities to be improved or expanded to provide a UNE not otherwise available. Verizon

[131] OPC Lundquist Declaration at ¶ 35.

[132] OPC Lundquist Declaration at ¶ 36.

[133] OPC Post Hearing Brief, pp. 37, 39.

[134] Verizon DC Reply Checklist Declaration at ¶ 35.

[135] Verizon DC Reply Checklist Declaration at ¶ 39.

[136] Verizon DC Reply Checklist Declaration at ¶¶ 42-44.

[137] Verizon DC Reply Checklist Declaration at ¶42, citing *Iowa Utilities Board v. FCC*, 120 F.3d 753, 812-12 (8th Circuit 1997), aff'd in part and rev'd in part, *AT&T Corp. v. Iowa Utilities Board*, 119 S.Ct. 721 (1999).

DC notes that its policies at issue here are the same as those found acceptable by the Pennsylvania, Virginia, and New Jersey commissions in Section 271 proceedings, where the FCC has passed favorably on these policies.[138]

5. Analysis and Conclusions

The law is clear that CLECs are entitled to access to the network that actually exists, but not to one as yet unbuilt. ILECs do not have an obligation to construct new facilities for the purpose of leasing them as UNEs. The principal facilities at issue involve the use of special-access services under state and federal tariffs, in lieu of high-speed UNE loops, in those cases where Verizon DC claims to have no existing facilities. Incumbents do have retail obligations to build, which both state and federal requirements underscore. Allegiance and OPC believe that the existence of these retail obligations forms a sufficient basis for requiring Verizon DC, in order to avoid acting in a discriminatory manner, to treat wholesale customers the same as it treats resale customers. In other words, they argue, if Verizon has an obligation to build facilities to serve an end user, it is discriminatory not to do so for a wholesale customer.

The problem with the analogy to retail offerings is that the obligation to construct for retail customers arises under distinct and separate sources and types of public service obligations, and has been implemented under a separate pricing regime; *i.e.*, those pricing arrangements the FCC has approved for federal tariffs or those pricing arrangements this Commission has made in connection with local exchange service. It would not be proper to use an underlying retail obligation to force construction, but then to use the wholesale TELRIC regime to price it. Verizon DC has not objected to providing new construction under circumstances where the pricing matches the source of the obligation to build. The evidence shows that Verizon DC does not discriminate in the application of its tariffed services; it makes them equally available to CLECs and to end users who qualify under tariff terms. Thus, when Verizon DC "constructs" facilities to provide its end users with retail tariff services, it is doing so exactly as it would for a CLEC. What Verizon DC does not do is to make retail services available under the wholesale terms and conditions applicable to CLECs. In turn, it does not provide its retail users with wholesale prices; if they take a retail service, they pay the retail price.

There is no escaping the fact that the core of the argument against Verizon DC's policy here is that it would be more economical for CLECs to have Verizon DC charge UNE prices for facilities than retail tariff prices for services. However, that is not the proper test to apply. The proper standard is whether Verizon DC's actions are discriminatory. The record here reflects that they are not. Whether the retail pricing structure for special access (or for that matter other facilities secured by CLECs under retail tariffs) remains sound is a separate issue. Deciding that issue here would constitute, in effect, a collateral attack on federal- and state-approved tariff rates. Those rates form, in the District of Columbia, part of an integrated cost recovery program that meets a number of objectives, not merely the pricing of every service at its true economic cost, whether TELRIC or not.

138 Verizon DC Reply Checklist Declaration at ¶¶ 43, 47, and 49.

This Commission here neither denies nor recognizes the wisdom of re-examining at some later date the District of Columbia retail service pricing regime in the context of impacts on wholesale serves. It is sufficient for current purposes that the Commission relies here on the evidence showing that retail and wholesale customers receive the same economic treatment for tariffed services.

In addition, no showing has been made that the price disparities between UNE prices and tariff prices have tangible, substantial anti-competitive impacts. All the evidence shows here is that the former are lower than the latter. Although such a disparity would tend to lower the profitability of services that a CLEC provides using retail services, that alone is not sufficient to demonstrate the lack of a reasonable opportunity to compete. A direct challenge to retail rates before this Commission or the FCC constitutes a far preferable means for discussing and dealing with such issues than would reliance upon the record made in this Section 271 application process. Therefore, this Commission concludes that the broadly based argument about discrimination in "no facilities" cases does not warrant a finding of non-compliance with any checklist item.

That leaves the much narrower question of what constitutes new construction, which is not required by the FCC, versus those simpler rearrangements and augmentations necessary to provide for the cross-connection of facilities, which are a routine and required part of making UNEs available for CLECs. The participants agree that simple cross connects and the addition of "cards" that provide the intelligence to allow cross-connection of facilities to work are within the scope of what Verizon DC will do to make UNE loops available. The disagreement is about what should happen when housings (small structures)[139] to allow those cross-connections are full or non-existent. In those cases, Verizon DC considers the addition of new housings to constitute construction activity leading to the creation of new UNEs, not merely the addition of cross-connection facilities to existing facilities to make them suitable for service as UNEs.

The first argument against Verizon DC's position is that the cross-connection costs are minimal. A related argument is that CLECs could agree to bear the cost of the facilities in whole or in part, thus mooting or at least substantially mitigating Verizon DC's concern about arbitrage with respect to the retail pricing regime. However, no evidence was presented to quantify what the costs are, so that this Commission could independently assess their magnitude. Moreover, it is not clear that the magnitude of the costs should be the deciding issue; at least equally relevant is the fact that new installations would consume space in Verizon DC's facilities, and perhaps at places (*e.g.*, apparatus cases out in the field) where space may well be at a premium.

It is troublesome to contemplate a policy that requires ILECs to provide CLECs with significant latitude to consume an ILEC's space or resources for the creation of new facilities, even in cases where CLECs agree to pay the costs of the required facilities. The collocation requirements that incumbents must meet certainly can impinge upon their future use of their own facilities, but the limits on the use of collocation are naturally constraining in their potential effects. Once a duty to house CLEC facilities beyond those required by collocation obligations is established, however, it is much more difficult to see how reasonable physical limits could be

[139] Multiplexer shelves at central offices or customer premises and apparatus cases at junction points in the outside plant portion of the network were the cases cited

placed on CLEC ability to command use of incumbent facilities to suit their desire to have the incumbent serve as both "landlord" and construction contractor for CLECs.

Allegiance has pointed out that at least some other ILECs are more liberal in defining what they will do to prepare facilities for operation as UNEs. However, the test should not be whether Verizon DC matches the conduct of the most generous ILEC, but whether its policy is reasonable, nondiscriminatory, and adequate in giving CLECs a reasonable opportunity to compete. Verizon DC has met the CLECs halfway on this issue. The commitment to provide cross-connection and cards, provided the housings for them exist, is, insofar as the record here discloses, sufficient to give CLECs a meaningful opportunity to compete. The adequacy of this commitment is underscored by the availability of a retail tariff option where those housings are not present.

The Commission concludes that Verizon DC's policies with respect to the construction or addition of facilities to allow it to provide UNEs to CLECs meet its requirements under this checklist item, in accord with the requirements of Section 271(c)(2)(B)(iv). The Commission also concludes that Verizon DC does not discriminate against competitors in the application of retail tariffed services that CLECs secure in order to provide their own services to end users.

C. Provisioning Intervals

1. OPC

OPC argues that its review of Verizon DC's performance data from the Measurements Declaration discloses that Verizon DC's reported intervals for non-dispatch installations (both UNE loops and resale) are significantly longer for CLEC orders than for its own retail orders. OPC suggests that the Commission review several months worth of data before it concludes that Verizon DC is achieving parity on these metrics.[140] OPC asserts that, if Verizon DC's provisioning policies are not equitable, discrimination and resultant CLEC harm occur. OPC makes an argument similar to those of Allegiance and AT&T regarding the rejection of service requests when facilities are not immediately available, *i.e.*, that Verizon DC should be required to construct new facilities for wholesale customers in cases where it would do so to serve a Verizon DC retail customer.

2. Verizon DC Reply

Verizon DC disputes the significance to be placed on the fact that it has not achieved parity in provisioning durations under C2C Guidelines Metric PR-3-01, which involves non-dispatch loops for resale and UNE products. Verizon DC argues that such microanalysis can produce misleading results, because Verizon DC is providing parity service on an all-metrics basis. Verizon DC also notes that no CLEC filed comments or testimony expressing concern about its provisioning performance. Verizon DC contends that the FCC supports its argument

140 OPC Lundquist Declaration at ¶¶22-25.

that it need not adhere to every unique sub-metric to show a satisfactory overall performance level.[141]

3. Analysis and Conclusions

As part of its unbundling obligations, Verizon DC is required to provision a number of different loop types. OPC registered concern about provisioning only one of these loop types; *i.e.*, loops that can be provided without dispatching technicians. According to Verizon DC, the difference in results for Metric PR-3-01 is due to the differing natures of CLEC and Verizon's own orders; many of its own customer orders involve only the addition or change of simple, switch-based features (*e.g.*, call waiting), while there are no such orders for CLECs using UNE loops. The lack of complaint by CLECs in their pre-hearing filings and testimony underscores the Commission's conclusion that Verizon is not disadvantaging CLECs through any significant failure to provision loops on a timely basis.

The Commission concludes that Verizon DC's failure to meet this particular component of the DC Guidelines does not constitute a failure to meets its requirements under this checklist item, in accord with the requirements of Section 271(c)(2)(B)(iv). Moreover, the Commission is always free to revisit this issue in the future, should we begin to see evidence that local competition is being adversely affected by Verizon's failure in this regard.

D. EELs

Extended Enhanced Loops ("EELs") provide CLECs with a UNE that consists of an existing loop cross-connected to an existing inter-office trunk facility, which permits a CLEC to provide for an end user a connection from its premises to a CLEC switch while no longer passing through the ILEC's switch. In some cases, the trunking portion of the facility operates at a higher capacity than the loop portion.[142]

In cases where the two facilities operate at different speeds, Verizon DC requires first an order for the higher speed interoffice facilities portion. Only after it is provisioned can a CLEC make a separate order for the loop portion. This split approach requires a CLEC to begin paying for a portion of the EEL as much as 15 days before the provisioning of the loop portion of the order provides it with the functionality of the UNE that it has ordered.[143]

1. AT&T

AT&T avers that Verizon DC's process for ordering EELs creates additional costs and delays for CLECs.[144] If the interoffice ("IOF") EEL portion is designed to operate at a different

141 Verizon DC Reply Checklist Declaration at ¶¶ 50-52.

142 The parties focused on a DS-1 loop cross connected to a DS-3 trunk facility as an example.

143 AT&T OSS Declaration at ¶77; Verizon DC Checklist Reply Declaration at ¶¶56-58.

144 AT&T OSS Declaration at ¶ 77.

speed from the loop portion, CLECs must take the IOF portion before the loop can be ordered. The interval for the succeeding turn-up of the loop portions of EELs may be as long as 15 days, depending on the applicable loop provisioning variables and intervals.[145] AT&T also asserts that Verizon DC does not permit the reuse of a customer's existing loop for EELs, even though Verizon DC allows this practice for UNE-L, UNE-P, and resale. Verizon DC rejects EEL orders if no redundant loops exist at the customer premises.[146] The process for ordering EELs, according to AT&T, creates additional piecemeal charges, and it extends the length of time to order the service.[147] In contrast, AT&T cites the Rhode Island and Massachusetts guidelines for CLECs as models for avoiding delays and added costs. AT&T believes that the Verizon DC process must be altered to allow for coordinated ordering and turn up of the IOF and loop portions of EELs, and to permit existing loops at the customer's premises to be reused.[148] AT&T notes that Verizon Massachusetts ("Verizon MA") was able to develop a manual work-around to address the administrative problems of accommodating multiple speed EEL orders simultaneously. This solution prevents CLECs from having to pay for an EEL before it becomes fully functional.[149]

2. Verizon DC Reply

Verizon DC states first that its EEL provisioning process is the same as those used in other states (citing Pennsylvania, New Jersey, and Delaware) where it has secured favorable state commission Section 271 recommendations. Verizon DC goes on to state that the vast majority of EELs (approximately 97 percent) have IOF and loop that operate at the same speed, in which cases both can be ordered on a single ASR. Verizon DC maintains that for EELs requiring two different speeds, its ordering process is logical and conforms to industry guidelines.[150]

Verizon DC also believes that it is appropriate to charge for the interoffice portion of an EEL as soon as it is turned up, even if the CLEC has not yet secured a functioning loop because Verizon DC has incurred costs, and its facilities have been removed from use for any other purpose. Verizon DC also expresses concern that a contrary practice could encourage CLECs to order an EEL's interoffice portion without having to place the loop portion of the order on a timely basis.[151]

145 AT&T OSS Declaration at ¶ 78.

146 AT&T OSS Declaration at ¶ 79.

147 AT&T OSS Declaration at ¶ 80.

148 AT&T OSS Declaration at ¶ 81.

149 AT&T Post Hearing Brief, p. 34.

150 Verizon DC Checklist Reply Declaration at ¶¶ 57-58.

151 Verizon DC Checklist Reply Declaration at ¶ 62.

3. Analysis and Conclusions

Verizon DC has demonstrated that the rare need for separate orders for each EEL portion arises from industry standard ordering procedures, not from requirements that it imposes unilaterally. The evidence on the record shows that 97 percent of EELs involve facilities of the same speed, which minimizes the number of cases where separate orders become necessary. The evidence supports the propriety of Verizon DC's separate order requirements. However, an established need for separate orders does not alone justify the initiation of charges for a UNE before it can be fully provisioned.

There are undoubtedly many UNEs whose provisioning activities extend over a significant period of time, and require substantial administrative coordination. Absent special circumstances, Verizon DC should not be able here to start charging CLECs before it delivers the required functionality any more than it does in the cases of other UNEs. To the extent that Verizon DC bears real costs associated with lags between ordering and provisioning, they should be reflected in the prices charged, not in the time at which the obligation to pay such prices commences.

Verizon DC does cite one special circumstance that requires consideration. It points out that CLECs could end up with the power to warehouse the trunk portions of EEL orders without having to pay for them, simply by deferring orders for the loop portions. However, this problem can be solved simply by requiring CLECs to place both portions of the order at the same time, in order to take advantage of the ability to defer payment initiation until both are provisioned. This approach would prevent the warehousing problem, while maintaining consistency regarding when the payment obligation begins.

The Commission intends to examine this issue further in current or future proceedings before the Commission. We believe the public interest will best be served by addressing this in a proceeding, rather than using it as a reason to oppose Verizon DC's entry into the long distance market.

E. Line Splitting

1. Summary of the Evidence

No party's prehearing filings address a concern about line splitting. However, during cross-examination by WorldCom, Verizon DC acknowledged that it discontinues data services to a customer in those cases where a CLEC captures the voice portion of the service, and plans to provide it over the same loop that Verizon DC uses to provide data services.[152] WorldCom's brief argues that it is discriminatory and anti-competitive for Verizon DC to decline to continue providing its own xDSL service to a Verizon DC retail customer who switches to a CLEC for the voice portion of local exchange service. WorldCom argues that there is no technical reason

[152] Tr. at pp. 171-172.

behind this policy; Verizon DC, for example, will continue to provide voice service when a CLEC takes over the data portion of service.[153]

2. Analysis and Conclusions

The record here does not disclose any technical reason to support Verizon DC's policy and it also demonstrates no basis for concluding that Verizon DC data service would become inherently uneconomical when a CLEC captures the end users' voice service. It is the Commission's intention to examine whether the denial of data services, which constitute an important retail service to District of Columbia customers, is contrary to our policies.

153 WorldCom Brief, pp. 38-40.

VII. Checklist Item 5: Local Transport From the Trunk Side of a Wireline Local Exchange Carrier Switch Unbundled from Switching or Other Services

A. Verizon DC Declaration

1. General

Verizon DC states that it provides local transport unbundled from switching or other network elements under substantially the same processes in the District of Columbia as Verizon uses in Pennsylvania and New York. Existing District of Columbia interconnection agreements include specific terms, rates, and conditions that obligate Verizon DC to provide local transport unbundled from switching or other services. These terms and conditions commit Verizon DC to provide both dedicated and shared transport facilities in a manner that is consistent with FCC requirements.[154] Configurations for these transport arrangements include DS-1, DS-3, STS-1, OC-3 (Optical Carrier-3), OC-12 (Optical Carrier-12) and Synchronic Optical Network ("SONET") . Intervals for installation depend upon the number of facilities requested. As of April 2002, Verizon DC was billing for approximately 70 interoffice transport arrangements for more than five CLECs. Verizon DC states that it completed seven of eight interoffice transport orders during the three-month period ending in April 2002.[155] For shared transport, Verizon DC states that it is providing service for approximately 2,500 unbundled local switching ports used as part of UNE-P.[156]

2. Analysis and Conclusions

Verizon DC's evidence shows that it provides substantial levels of unbundled local transport in the District of Columbia, much as it does in Pennsylvania and New York, through interconnection agreements at various capacities. The CLECs and OPC do not present substantial evidence challenging the types and levels of service provided by Verizon DC in connection with this checklist item. Therefore, based on the information before us, the Commission determines that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(v).

B. Dark Fiber

1. AT&T

For both Checklist Item 4 and Checklist Item 5, AT&T argues that Verizon DC's provisioning of dark fiber is cumbersome and often changes.[157] AT&T complains that Verizon

154 Verizon DC Checklist Declaration at ¶¶190-191.

155 Verizon DC Checklist Declaration at ¶¶192-200.

156 Verizon DC Checklist Declaration at ¶203.

157 AT&T Checklist Declaration at ¶15-22.

DC does not permit CLECs to reserve dark fiber strands for use at a later date, that Verizon DC requires all dark fiber runs to be point-to-point without any other connections, and that Verizon DC only fills orders on their due date. AT&T further states that Verizon DC will not give the CLECs an overview of the availability of dark fiber. AT&T also maintains that CLECs may not concurrently order from Verizon DC both the collocation arrangement and the dark fiber. Thus, by the time Verizon DC completes the collocation interval, associated dark fiber may no longer be available. Therefore, a CLEC may expend time and money to augment a collocation arrangement, only to find that the associated dark fiber is no longer available.

AT&T asks that this Commission require Verizon DC to adopt the terms and conditions approved in the FCC's recent *Virginia Arbitration Order* relating to dark fiber.[158] AT&T further requests that these changes be made part of a tariff, which would save CLECs the time and expense of having to modify their interconnection agreements.[159]

2. Verizon DC Reply

Verizon DC first argues that the CLECs should seek information about the availability of dark fiber through the interconnection agreement negotiation process. Further, Verizon DC notes that the FCC found that Verizon's Pennsylvania transport offerings, including dark fiber, complied with checklist requirements.[160] Verizon DC acknowledges that the FCC's *Virginia Consolidated Arbitration Order* addressed a number of dark fiber issues that are at issue here. Pursuant to this order, Verizon DC also acknowledges that it had to make certain changes in its dark fiber policy, including certain reservation procedures and a provision for state commission review prior to imposing limits on the availability of dark fiber. As a result, Verizon DC has modified its Model Interconnection Agreement to incorporate these changes. Verizon DC goes on to describe the process used in the District of Columbia to provide availability information to CLECs, and asserts that it is the same procedure that it uses in Pennsylvania.

Verizon DC describes a parallel provisioning dark fiber trial that it has in place in Virginia and Maryland with a requesting CLEC. It states that "[t]he purpose of these trials is to develop new processes, procedures, and system modifications so that, shortly after receipt of a collocation application, Verizon can accept and partially provision a CLEC's order for unbundled dark fiber even though the collocation is not yet ready."[161] Verizon DC also says that it makes the parallel provisioning option available to other carriers through interconnection agreement amendment.

158 AT&T Post Hearing Brief, p. 30, citing *Memorandum Opinion and Order*, CC Dockets Nos. 00-218, 00-249, and 00-251 (released July 17, 2002).

159 AT&T Post Hearing Brief, p. 32.

160 Verizon DC Checklist Reply Declaration at ¶¶ 86-87.

161 Verizon DC Checklist Reply Declaration at ¶¶ 98.

3. Analysis and Conclusions

The FCC recently arbitrated a series of interconnection agreement disputes applicable only to Virginia. Its determination required a number of significant changes in Verizon's practices with respect to making dark fiber available to CLECs in Virginia. The specific Virginia issues that AT&T has cited as relevant here include:

- Verizon requires a three-stage order processing effort rather than a parallel two-stage one;[162]
- Verizon fails to permit CLECs to reserve dark fiber strands for future use, pending completion of the ordering process related to securing that dark fiber;
- Verizon allows only point-to-point fiber routing, which rules out available routes through intermediate locations;[163]
- Verizon does not permit dark fiber orders without a collocation agreement or special augments, which could cause delay and waste of investment; and[164]
- Verizon makes dark fiber strands difficult to locate, and does not provide a reasonable network overview of the availability of dark fiber.[165]

The evidence suggests that Verizon DC does agree to adopt in the District of Columbia the FCC's resolution of the disputed issues in the Virginia-specific arbitration. Verizon DC cited, for example, changes to the Model Interconnection Agreement, which it says address these commitments. No participant presented evidence that would challenge whether Verizon DC has made a commitment or of Verizon DC's sufficiency in responding to the dark fiber concerns raised in these proceedings.

However, three issues are of concern to this Commission. First, the Commission's conclusions in the interconnection agreement arbitration involving Yipes Transmission, Inc. ("Yipes")[166] differ in certain respects from those reached in the FCC's Virginia arbitration. Verizon DC is obliged to follow the decisions in Orders Nos. 12396 and 12562 when there is a conflict between these decisions and the results reached in the Virginia arbitration. Second, Verizon DC has stated on the record that the Model Interconnection Agreement represents only its starting point for negotiations. It is not clear that CLECs can secure the benefit of the changes to the Model Interconnection Agreement without being burdened with the need to address a

162 AT&T OSS Declaration at ¶76; Verizon DC Checklist Reply Declaration at ¶¶86-87.

163 AT&T OSS Declaration at ¶76; AT&T Checklist Declaration at ¶¶15-19, 22 ; Verizon DC Checklist Reply Declaration at ¶¶86-87, Verizon DC Checklist Reply Declaration at ¶98.

164 AT&T OSS Declaration at ¶76; AT&T Checklist Declaration at ¶¶15-19; Verizon DC Checklist Reply Declaration at ¶¶86-87; Verizon DC Checklist Reply Declaration at ¶98.

165 AT&T Checklist Declaration at ¶¶17-18; Verizon DC Checklist Reply Declaration at ¶86-87.

166 *TAC 12 – Petition of Yipes Transmission Inc. for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon Washington DC, Inc.*, Order No. 12396, rel. May 6, 2002 and Order No. 12562, rel. October 9, 2002.

potential host of other issues that Verizon DC would like to see included in new or amended interconnection agreements. Third, in other states, Verizon DC is participating in a trial of parallel provisioning of the collocation and fiber portions necessary to make dark fiber available to CLECs. That trial may provide important insights into the issues raised here.

In general, the Commission determines that currently, Verizon DC is providing sufficient dark fiber provisioning to meet this checklist requirement. However, the Commission concludes that the three issues mentioned above merit further investigation and research to determine whether improvements in Verizon DC's dark fiber offerings are necessary.

C. "No Facilities" Claims

1. OPC

OPC makes a combined argument for Checklist Items 4 and 5, arguing that Verizon DC's construction policies discriminate against CLECs in the provisioning of loops and interoffice transport.[167] Those arguments are discussed in Checklist Item 4.

2. Analysis and Conclusions

The same discussion of Verizon DC's construction obligation for loops (see above) applies to OPC's substantially identical argument under this checklist item. The FCC offered a clear statement of its views of this issue in the context of defining an ILEC's transport obligations:

> In the Local Competition First Report and Order, the Commission limited an incumbent LEC's transport unbundling obligation to existing facilities, and did not require incumbent LECs to construct facilities to meet a requesting carrier's requirements where the incumbent LEC has not deployed transport facilities for its own use. Although we conclude that an incumbent LEC's unbundling obligation extends throughout its ubiquitous transport network, including ring transport architectures, we do not require incumbent LECs to construct new transport facilities to meet specific competitive LEC point-to-point demand requirements for facilities that the incumbent LEC has not deployed for its own use.[168]

The Commission concludes that Verizon DC's policies with respect to the construction or addition of facilities to allow it to provide UNEs to CLECs meet its requirements under this checklist item, in accord with the requirements of Section 271(c)(2)(B)(v).

167 OPC Lundquist Declaration at pp. 33-40.

168 *UNE Remand Order* ¶324 (citing *Local Competition First Report and Order*, 11 FCC Rcd at 15722, ¶451).

VIII. Checklist Item 6: Local Switching From Transport, Local Loop Transmission, or Other Services

A. Verizon DC Declaration

Verizon DC offers eight types of local switch ports through interconnection agreements; a description of these is in the CLEC handbook. Verizon DC provides CLECs with UNE-P in accordance with the FCC's *UNE Remand Order*. Verizon DC states that it has taken the necessary steps to ensure the commercial availability of local switching to CLECs. A total of 19 CLECs may use Verizon DC's UNE switching arrangements as of April 2002. As of this same date, Verizon DC had over 2,500 line side switching ports as part of UNE-P combinations, some 2,500 for business service and over 20 for residence customers. As of April 2002, Verizon DC had received no requests for unbundled tandem switching on a stand-alone basis.[169]

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this checklist item. Hence, the record contains no evidence opposing Verizon's declaration regarding this issue.

C. Analysis and Conclusions

Verizon DC's filing demonstrates that it provides unbundled switching in the District of Columbia, offering eight types of local switch ports, with over 2,500 switching ports as part of UNE-P combinations. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission concludes that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(vi).

169 Verizon DC Checklist Declaration at ¶¶ 208-211.

IX. Checklist Item 7: 911/E911, Directory Assistance, Operator Services and Call Completion Services

A. Verizon DC Declaration

Verizon DC provides enhanced 911 ("E911") services in the District of Columbia and provides CLECs access to the E911 database. Verizon DC offers directory assistance ("DA") and operator call completion ("OCC") service to about 15 CLECs in the District of Columbia. Other CLECs have two options: (1) providing their own DA ; or (2) OCC service or purchasing them from Verizon DC.[170]

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this checklist item. Moreover, the record contains no evidence that opposes Verizon's declaration regarding this matter.

C. Analysis and Conclusions

Verizon DC's filing demonstrates that it provides the required 911/E911 services and access, directory assistance, and operator call completion service to about 15 CLECs in the District of Columbia. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, based on the information in this proceeding, the Commission determines that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(vii).

[170] Verizon DC Checklist Declaration at ¶ 227.

X. Checklist Item 8: White Page Directory Listings

A. Verizon DC Declaration

1. General

Verizon DC states that it provides white page directory listings on a nondiscriminatory basis pursuant to its interconnection agreements and its tariffs.[171] In order to confirm directory listings, Verizon Information Services gives each carrier a Listings Verification Report ("LVR") containing the listing for that carrier in the database that underlies these listings. In that report, Verizon DC identifies a service order close date – the last day on which a carrier may add directory listings for inclusion in a published directory.[172] The LVR can be used to determine the accuracy of listings information. In the KPMG Consulting OSS Test, Verizon did not meet the benchmark of 95 percent accuracy (for provisioning test orders in its Directory Listings database); however, the achievement of 94.7 percent accuracy was determined to be statistically insignificant.[173]

2. Analysis and Conclusions

Verizon DC's filing demonstrates that it generally provides white pages listings in accord with the requirements of the Section 271(c)(2)(B)(viii). The Commission concludes that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(vii). The parties raised one issue that requires more specific discussion, as indicated below.

B. Listings Verification

1. AT&T

AT&T states that it has experienced problems related to this checklist item. It argues that Verizon DC does not adequately verify white page listings. AT&T argues that the listing verification process requires CLECs to undertake error detection processes that Verizon DC should conduct. AT&T also states that KPMG testing in Virginia only addressed directory assistance, not white page listings.[174]

171 Verizon DC Checklist Declaration at ¶262.

172 Verizon DC Checklist Declaration at ¶¶268-269.

173 Verizon DC Checklist Declaration at ¶273.

174 AT&T Checklist Declaration at ¶¶32-39.

2. Verizon DC Reply

Verizon DC states that AT&T has not provided any District of Columbia-specific evidence to support its claims.[175] Further, Verizon DC argues that the same systems and processes that AT&T complains of have been approved by the FCC in the Section 271 order for Pennsylvania. The listings appear in the Directory Assistance ("DA") records and are printed in the appropriate directories. Verizon DC maintains that it provides DA listings for UNE, UNE-P, and resale.[176] CLECs must make appropriate requests for the type of listings that their customers require. Verizon DC states that the accuracy of its listings for CLECs has reached 99.26 percent.[177] Information on DA requirements can be found at Verizon DC's website.[178] Concerning the claim AT&T makes that CLECs must take responsibility for the LVR process, Verizon DC states that CLECs must stay involved in the process through the time of publication.[179] CLEC involvement makes the capturing and resolution of problems a "before the process" fix and not an "after the process" error. Verizon DC states that it is committed to working with CLECs who decide to review the LVR.[180]

3. Analysis and Conclusions

Verizon DC presents substantial evidence demonstrating that it provides directory listings generally as required by Checklist Item 8. However, AT&T has taken the position that there has been inadequate testing of directory listing accuracy, and that the C2C Guidelines applicable in the District of Columbia should be supplemented by a measure that will assess accuracy after Verizon DC "hands off" directory listings information to the affiliate, Verizon Information Services ("VIS"), that publishes the directories.

Verizon DC has submitted declarations addressing the efforts it takes to assure directory accuracy and it has observed that these efforts are like those it takes in other states for which the FCC has already approved Section 271 applications. Specifically, Verizon DC translates CLEC Local Service Request ("LSR") information into internal service orders, just as it does for its own retail customers. After the introduction of new systems and business rules in February 2002, Verizon DC states that listings orders have flowed through at rates between 89.44 percent and 97.22 percent. In October 2001, Verizon DC created a quality verification process for examining manually processed directory listings orders. C2C Guidelines Metric OR 6-04 tests a random sample of the manually processed listings information orders for accuracy. Verizon DC

175 Verizon DC OSS Reply Declaration at 109.

176 Verizon DC OSS Reply Declaration at ¶110.

177 Verizon DC OSS Reply Declaration at ¶127.

178 Verizon DC OSS Reply Declaration at ¶131.

179 Verizon DC OSS Reply Declaration at ¶134.

180 Verizon DC OSS Reply Declaration at ¶135.

claims that performance under that measure in Virginia, which uses the same systems used for the District of Columbia, was at about 99 percent accuracy for July and August 2002.[181]

The preceding activities focus on the listings process before Verizon DC "hands off" the information to VIS for publication. Verizon DC performed a special study to compare how the information provided to VIS matches the information found in Verizon DC service orders. That study, which used samples from the months of July and August 2002, found that the information match rate was 100 percent.[182]

Verizon DC also notes that it makes an LVR available to CLECs 30 days before the close-out date for a directory. A CLEC can check its listings, electronically if it wishes, with the LVR. AT&T argues that the LVR makes CLECs responsible for performing the role that Verizon DC should undertake in assuring listings accuracy.[183] Verizon DC contends that inaccuracies in listing information can also arise through CLEC fault or through no fault of either party. CLEC verification activities, according to Verizon DC, therefore constitute an important and unavoidable aspect of assuring correct listings at the time of directory publication. Verizon DC notes that it has received no error reports from AT&T in 2001 or 2002.[184]

Verizon DC says that CLECs can also verify listings accuracy by submitting preorder queries of the OSS. While Verizon DC is entitled to charge for these queries, it does not do so at the present time, pending a request to change the charge basis from a per-inquiry to a per-line basis, in order not to discourage CLECs from using pre-order queries.[185]

The evidence does not support the AT&T claim[186] that that the failure of KPMG directly to test directory listings (instead only checking the Virginia directory assistance database) is a significant shortcoming. The test may only have examined the front end of the process; however, Verizon DC presents unrebutted evidence that a recent sampling, undertaken after it changed its previous directory listings processes, shows that the back-end functions examined function properly as well. Verizon DC offers results showing high levels of accuracy in Virginia (where systems and processes are the same as those used in the District of Columbia), and no party presents evidence of listing inaccuracies in the District of Columbia. Verizon DC's evidence also shows that the LVR does not stand in lieu of its other, baseline efforts to assure listings accuracy. LVRs supplement those processes and allow CLECs to check for inaccuracies that are not the fault of or known to Verizon.

181 Verizon DC OSS Reply Declaration at ¶¶107 through 132.

182 Verizon DC OSS Reply Declaration at ¶127.

183 AT&T Checklist Declaration at ¶36.

184 Verizon OSS Reply Declaration at ¶134.

185 Verizon DC OSS Reply Declaration at ¶136.

186 AT&T Checklist Declaration at ¶32.

AT&T also criticizes the adequacy of Metric OR-6-04, because it measures only a sample of manually handled orders, and because it compares the CLEC's LSR only to the creation of the Verizon service order.[187] The Commission adopted this metric in Order No. 12347 after considering comments from Verizon DC and AT&T.[188] AT&T did not address the concerns it raises here in the proceedings that led to the adoption of Metric OR-6-04[189] and has not sought an amendment to the metric since its adoption.

The issue of charges for pre-order queries related to directory listings was not addressed in any prefiled testimony or comments. However, it was the subject of cross-examination, and it arose in briefs. Specifically, Verizon DC argues that it seeks to encourage CLEC use of pre-order queries by waiving any allowable charge for them, while, at the same time, declining to promise that it will not begin to make the charge after Section 271 approval is granted. WorldCom argues that Verizon DC in effect has it both ways (declining to charge and declining to waive its right to charge) for what Verizon DC concedes is an important means for verifying directory listings.[190] AT&T also asks that Verizon DC be expressly prohibited from making such a charge.[191]

This CLEC argument requires further investigation. Verizon DC has correctly observed that there is a need to consider the inclusion of the costs of such queries in other price elements if it is not to be recovered on a per-use basis. However, having conceded the importance of making such queries available without separate charge, the Commission needs to consider whether Verizon DC should be permitted to impose this charge in further proceedings.

Given the existence of a coordinated set of systems and processes for assuring listing accuracy, their demonstrated success in Virginia, and the lack of any evidence that would show listings accuracy problems specific to the District of Columbia, the Commission concludes that Verizon DC's practices and procedures with respect listings accuracy verification meet its obligations under this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(viii).

187 AT&T Checklist ¶34.

188 *Formal Case No. 990, In The Matter Of Development Of Local Exchange Carrier Quality Of Service Standards For The District,* Order No. 12347, rel. March 18, 2002.

189 Order No. 12347, ¶ 20-32.

190 WorldCom Brief, p. 11.

191 AT&T Post Hearing Brief, p. 34.

XI. Checklist Item 9: Access to Telephone Numbers

A. Verizon DC Declaration

Verizon DC states that there is now an independent third-party numbering administrator who has the responsibility of assigning numbers.[192] Verizon DC declares that it thus meets this checklist item by complying with the industry guidelines and procedures that apply to all carriers.

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this Checklist item. There is no evidence in the record that contradicts Verizon's assertion regarding this matter.

C. Analysis and Conclusions

Verizon DC's declaration demonstrates that it is providing requested access. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission finds that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(ix).

[192] Verizon DC Checklist Declaration at ¶ 276.

XII. Checklist Item 10: Access to Databases and Signaling

A. Verizon DC Declaration

Verizon DC provides access to CLECs to several call-related databases and its Service Management System ("SMS") on a nondiscriminatory basis in the District of Columbia.[193] Verizon DC also provides CLECs access to its signaling links and signaling transfer points on an unbundled basis. The call-related databases include the Line Information Database ("LIDB"), which includes the Calling Name Information Database, the Toll Free Database, the Local Number Portability Database, and the Advanced Intelligence Network Database.[194] Verizon DC's SMS allows CLECs to enter, modify, or delete entries, for their own customers, in Verizon DC's other databases.

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this Checklist item. There is also no evidence in the record to contradict Verizon's declaration regarding this issue.

C. Analysis and Conclusions

Verizon DC's declaration demonstrates that it is providing requested access. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission determines that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(x).

[193] Verizon DC Checklist Declaration at ¶ 282.

[194] Verizon DC Checklist Declaration at ¶¶294-317.

XIII. Checklist Item 11: Local Number Portability

A. Verizon DC Declaration

Verizon DC offers local number portability ("LNP") throughout its service area, allowing former Verizon DC customers to keep their existing telephone numbers when they change carriers. Verizon DC states that, as of April 30, 2002, it ported more than 150,000 telephone numbers for approximately 15 CLECs. Additionally, it met 98 percent of its "LNP only" orders.[195]

B. Issues Raised by CLECs and Other Parties

No party makes any declarations regarding this checklist item. Moreover, there is no evidence on the record that contradicts Verizon's assertion regarding this matter.

C. Analysis and Conclusions

Verizon DC's declaration demonstrates that it is providing requested access. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission concludes that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)B)(xi).

[195] Verizon DC Checklist Declaration at ¶¶322-323.

XV. Checklist Item 13: Reciprocal Compensation

A. Verizon DC Declaration

1. General

Verizon DC claims that it offers access and interconnection that include reciprocal compensation in accordance with Section 252(d)(2). Verizon DC also states that it provides reciprocal compensation in accordance with the Commission's requirements and those included in the Act and the FCC's *Order on Remand*. Verizon DC's declarations state that it will apply the presumption that local traffic that exceeds a 3:1 ratio of termination-to-origination is Internet-bound traffic. As of April 30, 2002, Verizon DC claimed to be paying reciprocal compensation to seven CLECs, five broadband Commercial Radio Service providers, and three paging companies. Verizon DC also says that it has bill-and-keep arrangements with five CLECs.[197]

2. Analysis and Conclusions

Apart from the payment dispute issue that is addressed below, no party takes issue with Verizon DC's satisfaction of the requirements of this checklist item. Verizon DC's filings demonstrate generally that it pays reciprocal compensation and that it accepts the 3:1 presumption currently specified by the FCC. Subject to the Commission's determination with respect to the relevance and the weight to be given to the reciprocal compensation dispute with AT&T, discussed below, the Commission finds that Verizon DC has met the requirements of this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(xiii).

B. Payment Dispute

1. AT&T

AT&T states that, on the basis of its interconnection agreement, Verizon DC owes AT&T about $15,000,000 for reciprocal compensation.[198] Verizon DC, according to AT&T, withheld these payments after unilaterally determining that any traffic that exceeded a ratio of 2:1 of termination-to-origination was ISP-bound traffic.[199] Verizon did not request the approval of this Commission before withholding these reciprocal compensation payments. AT&T also states that Verizon DC is not in compliance with several FCC orders concerning reciprocal compensation.[200]

197 Verizon DC Checklist Declaration at ¶¶334-335.

198 AT&T Checklist Declaration at ¶ 56.

199 AT&T states that in April 1999, Verizon began to withhold reciprocal compensation payments for all traffic that exceeded a 2:1 ratio of terminating to originating. This ratio was used until June 2001, after which a 3:1 ratio was used. AT&T Checklist Declaration at ¶56.

200 AT&T Checklist Declaration at ¶¶ 60-64.

XIV. Checklist Item 12: Local Dialing Parity

A. Verizon DC Declaration

Local dialing parity allows CLEC customers to dial the same number of digits a Verizon DC customer dials to complete a similar call. Verizon DC states that it provides local dialing parity to all CLECs in the District of Columbia consistent with the Act.[196]

B. Issues Raised by CLECs and Other Parties

No party makes any declarations for this checklist item. Hence, the record contains no evidence opposing Verizon's declaration regarding this issue.

C. Analysis and Conclusions

Verizon DC's declaration demonstrates that it is providing requested access. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission determines that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(xii).

[196] Verizon DC Checklist Declaration at ¶ 326.

2. Verizon DC Reply

Verizon DC replies that AT&T's reciprocal compensation claim relates to a contract dispute regarding compensation for internet service provider ("ISP")-bound traffic that is the subject of another proceeding pending before this Commission.[201] Verizon DC contends that it is inappropriate to consider this claim in a Section 271 proceeding, because the FCC has determined that whether a BOC pays reciprocal compensation for ISP-bound traffic is irrelevant to Checklist Item 13. Moreover, the AT&T contract claim should be rejected on its merits according to Verizon DC. The interconnection agreement between the parties is controlling on the issue of ISP-traffic, according to Verizon DC, and an FCC arbitration reviewing virtually identical language held that Internet-bound traffic was not subject to reciprocal compensation.[202]

3. Analysis and Conclusions

AT&T asserts that in the context of this Section 271 proceeding, it is appropriate for the Commission to consider CLEC claims that Verizon DC has withheld reciprocal compensation payments contrary to the terms of their interconnection agreements.[203] AT&T makes these same claims in proceedings now pending before the Commission.[204] Similar claims from two other CLECs also are pending. Those claims have not been litigated. AT&T has not provided a record for deciding those claims here, nor would it be appropriate for this Commission to do so.

AT&T's companion argument that Verizon DC has been violating not only its interconnection agreement, but also FCC rules about reciprocal compensation, is not different in substance. The claim about FCC rules relies upon a declaration by the FCC that its rules do not necessarily override different provisions in existing agreements. In other words, AT&T's claim is that by violating its interconnection agreement, Verizon DC is also violating FCC rules.

The Commission will not prejudge the merits of the three claims pending before it. However, it is clear that reciprocal compensation has been subject to nearly continual change as first the states made rulings in arbitrations, then the FCC and the federal courts began to engage in a series of rulings that have reversed entitlements, changed effective rules, and caused vast swings in the flow of dollars exchanged between ILECs and CLECs as a result of the Internet traffic that they terminate for each other. That there remain knotty, interim problems to work out is not surprising. That contract disputes are accompanied by nonpayment is also not unusual.

Without more, these events do not bear significantly, *per se*, upon Verizon DC compliance with Checklist Item 13. There is no substantial evidence that Verizon DC has engaged in a pattern of arbitrary payment withholding for anticompetitive purposes or to

201 Verizon DC Reply Checklist Declaration at ¶ 105.

202 Verizon DC Reply Checklist Declaration at ¶¶ 109-111.

203 AT&T Checklist Declaration at ¶¶50 through 65.

204 *See, for example, Telephone Arbitration Case No. 16, In the Matter of the Petition of AT&T Communications of Washingon, DC, Inc. and Teleport Communications – Washington, DC for the Enforcement of the Terms of their Interconnection Agreement with Verizon Washington, DC Inc.*, filed June 12, 2001.

anticompetitive effect. The three payment disputes over one of the Telecommunications Act of 1996's most controversial and unsettled issues do not alter this conclusion. Therefore, the Commission concludes that the existence of these disputes does not provide a basis for finding that Verizon DC fails to meet its obligations under this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(xiii).

XVI. Checklist Item 14: Resale

A. Verizon DC Declaration

Verizon DC offers resale in accordance with its tariff. Resale is available pursuant to interconnection agreements; the Commission has approved or is reviewing for approval approximately 40 resale-only interconnection agreements and 80 facilities-based agreements, some of which contain resale provisions. As of April 2002, there were over 15,000 resold lines in the District of Columbia served by approximately 25 CLECs.[205]

B. Issues Raised by CLECs and Other Parties

No party makes any declarations for this checklist item. Moreover, there is no evidence on the record that contradicts Verizon's assertion regarding this issue.

C. Analysis of Filings

Verizon DC's filing shows that many CLECs are offering a significant level of resold retail service in the District of Columbia. No other participant challenges Verizon DC's conduct with respect to this checklist item. Therefore, the Commission determines that Verizon DC has demonstrated compliance with this checklist item, pursuant to the requirements of Section 271(c)(2)(B)(xiv).

[205] Verizon DC Checklist Declaration at ¶¶ 339-341.

XVII. Section 272

A. OPC

Verizon DC presents no evidence on this issue. However, OPC notes that Verizon has taken the position before the FCC that the 272 sunset provision (which determines when the separate affiliate safeguards cease to apply), if permitted in New York, would then cease to apply in all Verizon states, including the District of Columbia.[206] OPC argues that Section 272 is intended to operate similarly to the Bell System divestiture. OPC also contends that Verizon must agree to meaningful compliance with Section 272 requirements related to "structural separation."[207]

Section 272 requires that the ILEC operate its long distance business out of a structurally separate affiliate, and establish a code of conduct to govern relations between the ILEC and the long distance affiliate. OPC says the purpose of this requirement is to prevent anticompetitive conduct "...arising out of the ability as an *economic* matter, for the BOC to extend its market power in the *local* telecommunications market into the adjacent long distance market."[208] OPC argues that Verizon has not met the requirements of Section 272(b) because it:

- Has engaged in joint marketing with its affiliate;
- Has the ability to easily market long distance through its inbound marketing channel, which should be restricted;
- Can offer tie-in discounts with local and long distance; and
- Can shift the costs of recruiting and hiring employees to the BOC from the 272 affiliate.[209]

B. Verizon DC Response

Verizon DC does not address this issue in its pre-hearing filings, but does discuss it in its post-hearing brief. Verizon DC disagrees that its compliance with Section 272 is properly part of this Commission's review.[210] Verizon DC argues that the Act requires the FCC to determine compliance with Section 272; however, it concedes that this Commission has decided it can examine this issue in Order No. 12572.[211].

206 OPC Selwyn at ¶ 41.

207 OPC Post Hearing Brief, p. 7.

208 OPC Selwyn at ¶¶35-37.

209 OPC Selwyn at ¶¶56-86.

210 Verizon DC Post Hearing Brief, p. 58, fn.58.

211 *Formal Case No. 1011 – In The Matter Of Verizon Washington DC, Inc.'s Compliance With The Conditions Established In Section 271 Of The Federal Telecommunications Act Of 1996,* Order No. 12572, ¶ 5, n.12, rel. October 18, 2002.

C. Analysis and Conclusions

OPC's concerns relate primarily to structural issues, which the federal Act already addresses. The Act contemplates that all competitors, not just ILECs who receive Section 271 approval, will have the opportunity to take advantage of economies of scale and scope. Those economies include savings to be gained through the bundling of services. It would not be correct to assume that there is anything inherently inappropriate about Verizon DC's use of bundling in accord with applicable limitations. However, there is a provision for joint state/federal audits to verify, among other things, that dealings between an ILEC's local and long distance organizations take place at arms length. Moreover, this Commission has significant authority under District of Columbia law to examine inappropriate marketing practices, and to determine whether costs in a more competitive long distance market are being improperly transferred to the costs of service over which this Commission has jurisdiction.

All of the issues that OPC raises may be dealt with in either or both of the joint state/federal audits or under this Commission's authority over local service. This latter source of authority is particularly material in the event that Verizon prevails in arguing that the Section 272 sunset provisions begin to run, even for purposes of the District of Columbia, from the time of its first Section 271 approval in any state. Accordingly, there exist no structural reasons for imposing pre-Section 271 approval requirements to supplement those already existing.

What remains to be considered is whether Verizon DC's performance history demonstrates reasons for concluding that it has substantially violated the arm's length dealing provisions of federal or state law and, if so, whether those violations bear upon the applicable public-interest or market-openness standards. The record does no more than raise a few generalized complaints based on audit work done to date.

The lack of specific, detailed reference to prior findings and an assessment of their significance to the District of Columbia do not support a conclusion that special measures need be taken prior to Verizon DC's entry into the long distance market in the District of Columbia. The Commission concludes that there is no basis for finding that concerns about Verizon DC's compliance with Section 272 provide a reason for concluding that Section 271 approval should be withheld.

XVIII. OSS

A. Verizon DC Declaration

1. General

The purpose of Verizon DC's OSS declaration is to describe the access that Verizon DC provides for CLECs to its Operations Support Systems ("OSS") for pre-ordering, ordering and provisioning, repair and maintenance, and billing.[212] These systems support interconnection arrangements, resale and UNEs, including UNE-P. Verizon DC states that there is only a single set of Verizon OSS and interfaces that serve the District of Columbia, Virginia, Maryland, and West Virginia. CLEC support in the District of Columbia is the same as it is in those states.[213] Price Waterhouse Coopers LLP ("PwC") reviewed Verizon DC's assertions relating to the sameness of its OSS and other interfaces: PwC's findings are summarized below in the discussion of the PwC Attestation. KPMG Consulting and Hewlett-Packard Consulting conducted a comprehensive evaluation of the OSS and interfaces under the direction of the Virginia State Corporation Commission ("VA SCC"). Verizon DC asserts that, "[t]he KPMG review found an outstanding level of Verizon achievement."[214] The systems in the of District of Columbia and Virginia, according to Verizon DC are the same; therefore, the results of the Virginia OSS test are directly applicable to the District of Columbia. Verizon DC states that the FCC has on other occasions permitted the test of one state's OSS to be used in related jurisdictions to support a Section 271 application.

The Verizon DC OSS declaration describes the systems and interfaces used for **pre-ordering**. The principal systems supporting pre-order functionality include LiveWire, ExpressTRAK, and Loop Facilities Assignment and Control ("LFACS"), among others. Verizon DC also describes connectivity options for exchanging electronic transactions with Verizon, and then provides information about the Web graphical user interface ("GUI") for CLECs. Verizon DC notes an increase in pre-order transactions throughout the former Bell Atlantic service territories from January of 2000 to December of 2001.[215]

The **ordering** interfaces and underlying OSS also are described in this declaration. Verizon DC offers two versions of the Local Service Ordering Guidelines for each of the ordering interfaces. A CLEC begins the ordering process by submitting to Verizon DC a local service request ("LSR") or an access service request ("ASR"), depending on the access or facilities desired. Verizon DC notes that Verizon processed over 13,000 LSRs in the District of Columbia for the month of April 2002.[216] Verizon DC's declaration also discusses order flow-

212 Verizon DC OSS Declaration at ¶ 17.

213 Verizon DC OSS Declaration at ¶ 19.

214 Verizon DC OSS Declaration at ¶ 31.

215 Verizon DC OSS Declaration at ¶ 49.

216 Verizon DC OSS Declaration at ¶ 62.

through and reject rates, order processing and status notices, and jeopardy and completion notifiers.

Verizon DC's **provisioning** systems are described. The results are discussed in the separate Checklist Declaration.[217]

The **maintenance and repair** systems are described and include Web GUI and the Electronic Bonding Interface. In accordance with the C2C Guidelines, Verizon DC reports system availability for maintenance and repair.

The declaration states that primary **billing** systems used by CLECs operating in the District of Columbia are ExpressTRAK and Carrier Access Billing System ("CABS"). The Billing Output Specification, Bill Data Tape ("BOS BDT") bills are provided to CLECs, and may be used as the bill of record.[218] PwC examined Verizon DC's assertions about its billing systems, and its findings are discussed below.

Two other CLEC support systems are described in this declaration: the Wholesale Customer Support system and the OSS Change Management Process. Verizon DC states that it makes training and assistance available to CLECs through handbooks, technical documentation, CLEC workshops and a wholesale customer help desk.[219]

2. Verizon DC – PwC OSS Attestation

Verizon engaged PwC to attest to statements made by Verizon DC that support its claims that the systems in the District of Columbia were used in Maryland, Virginia, and West Virginia. Additionally, PwC was engaged to attest to statements made by Verizon DC that the underlying systems used to calculate performance measures used in the District of Columbia are the same as those used in Maryland, Virginia and West Virginia. PwC attested to all Verizon DC statements related to these two issues.[220] Further, Verizon DC states that, "the common Verizon OSS and interfaces used in the District of Columbia have already been subject to a comprehensive third-party evaluation by KPMG Consulting ("KPMG") and Hewlett-Packard ("HPC") in Virginia under the direction of the Virginia State Corporation Commission ("SCC")."[221]

3. Verizon DC – PwC Billing Attestation

PwC also was engaged to attest to statements made by Verizon DC concerning its BOS BDT billing. The examination of the billing systems covered two different billing periods.

217 Verizon DC OSS Declaration at ¶ 106.

218 Verizon DC OSS Declaration at ¶ 133.

219 Verizon DC OSS Declaration ¶¶ 171-183.

220 Verizon DC OSS Declaration at ¶¶ 27-29.

221 Verizon DC OSS Declaration at ¶ 30.

Some of the assertions tested involved the comparability of the BDT to the paper bill, the internal consistency of the BDT, and Verizon DC's BDT bills distribution and timeliness.[222] PwC attested to all of the Verizon DC assertions as being "fairly stated."[223]

4. Analysis and Conclusions

Verizon DC's filing demonstrates that the OSS testing work that has been done is similar to what the FCC has relied upon in granting Section 271 approval in other Verizon states, and that there is sufficient commonality between the Virginia and the District of Columbia OSS to allow generally for the extrapolation of results to operations in the District of Columbia. There is no substantial evidence that the Verizon OSS tests relied upon here are materially deficient by comparison to tests in other regions, or that the entities conducting the tests failed to exercise the degree of care and professionalism attendant to Verizon tests in other states or tests of other ILEC OSS in other regions.

Therefore, based on the information before us, the Commission concludes that testing relied upon here by Verizon DC is sufficient, when measured by what the FCC has done in prior Verizon Section 271 applications, to assess OSS adequacy for the District of Columbia.

B. Billing

1. AT&T

AT&T states that KPMG has not tested electronic billing ("the BOS BDT") or the billing of reciprocal compensation.[224] Verizon Virginia did not offer the BOS BDT version of the wholesale bill as the "bill of record" until after KPMG had completed its test; therefore, it was not the bill tested for either timeliness or accuracy.[225] Additionally, according to AT&T, KPMG did not test all aspects of the paper bill, such as reciprocal compensation, and the bills tested were not representative of those of a typical CLEC. AT&T also claims that bills for accounts that remain in the legacy billing system, CRIS, are only available in paper format. AT&T believes that the tested bills were not representative because the billing test consisted of "pristine" new accounts, which failed to include the types of real-world encumbrances from prior account histories that make errors more likely. AT&T also says that KPMG did not issue the same billing claims that a CLEC would issue. Instead, KPMG opened up test observations with billing problems that did not mirror those a CLEC would face.[226] AT&T states that the PwC Attestation of Verizon DC's billing did not constitute an audit or an independent third party test. It simply attested to statements made by Verizon DC.[227]

222 PwC Billing Declaration at ¶ 8.

223 PwC Billing Declaration at ¶10.

224 AT&T OSS Declaration at ¶25.

225 AT&T OSS Declaration at ¶26.

226 AT&T OSS Declaration at ¶45.

2. WorldCom

WorldCom states that KPMG did not test BOS BDT billing or electronic bonding in Virginia.[228] Further, it notes that KPMG tested the paper bill only, and that the PwC declaration concerning billing was limited.[229] WorldCom believes that Verizon DC's processes unduly complicate the billing dispute process, and that CLECs do not get the necessary information to determine the basis on which they receive refunds.

WorldCom states that it continues to experience significant billing problems in the Verizon South region, despite the fact that Verizon claims to have corrected its billing problems by September 2001, when the FCC approved Pennsylvania interLATA entry.[230] WorldCom acknowledges that the District of Columbia's back-end billing systems differ from those of other Verizon South states, but alleges that the form of the bill remains the same. This similarity indicates to WorldCom that it is likely to experience the same problems in the District of Columbia as it has in Pennsylvania. Additionally, WorldCom believes that Verizon DC does not adequately break out or identify credits on bills, which raises questions about whether CLECs are receiving proper credits.[231] WorldCom also finds Verizon DC's dispute filing process for wholesale accounts time consuming and cumbersome, and contends that Verizon DC inappropriately determines its decisions on claims to be final before all steps of the claims process are exhausted.[232]

WorldCom cites the existence of long-standing problems in the conversion to ExpressTRAK, which KPMG testing failed to disclose. WorldCom also notes that prior KPMG testing in Virginia did not test conversions from CRIS (the older, legacy billing system) to ExpressTRAK.[233] WorldCom observes that Verizon declared the paper bill to be the bill of record in Virginia (and therefore the bill to be tested by KPMG), even though CLECs had access to electronic billing well prior to completion of KPMG testing. Verizon then designated the electronic version as the bill of record after testing of the paper bill.[234]

WorldCom also argues that Verizon DC's claim that the paper bill is merely a printout of the electronic bill cannot be true, given testimony in this proceeding that "balancing records" need to be inserted into some electronic bills to make them match the paper bills. WorldCom

227 AT&T OSS Declaration at ¶28.

228 WorldCom Declaration at ¶ 4.

229 WorldCom Declaration at ¶11.

230 WorldCom Declaration at ¶ 19.

231 WorldCom Declaration at ¶ 21.

232 WorldCom Declaration at ¶ 20.

233 WorldCom Brief, p. 19.

234 WorldCom Brief, p. 20.

also underscores PwC's need to offer exceptions to its verification that a third party could recalculate the electronic, BOS BDT bill.[235]

WorldCom asks for a District of Columbia-specific OSS test. Worldcom also requests that this Commission require Verizon DC to report the electronic billing metrics adopted by the NJ BPU and the Pennsylvania Public Utility Commission.[236] WorldCom also asks that Verizon DC be required to implement any process improvements identified through Pennsylvania monthly forums that address billing issues.[237]

3. OPC

OPC argues that ExpressTRAK has yet to be examined or approved by the FCC in any Section 271 application, and that the system is not yet fully implemented either in Virginia or Maryland.[238] OPC also says that KPMG testing in other Verizon states does not confirm that Verizon DC is charging the correct wholesale rates in the District of Columbia, and that the withdrawal of billing performance metrics makes billing concerns more troublesome.[239]

4. Verizon DC Reply

Verizon DC believes that KPMG testing verifies the ability to provide adequate bills to CLECs. Verizon DC acknowledges that KPMG did not test electronic billing in the Virginia test; however, KPMG did perform an evaluation of Verizon's ability to provide non-discriminatory billing to CLECS. All 75-test points were satisfied, according to Verizon DC.[240] Verizon DC uses the same billing systems and procedures in the District of Columbia as Verizon does in Virginia. Verizon DC states that electronic OSS bonding between Verizon and CLECs was tested in Virginia for trouble reporting. Electronic bonding was also tested in Pennsylvania, New York, Massachusetts, and New Jersey. Verizon DC observes that the FCC has approved Verizon's applications in ten other states without the testing of electronic bonding.[241] Verizon DC states that KPMG's test included hundreds of real world orders and all the facets of those orders, which is contrary to the claims of CLECs.[242] Verizon DC asserts that KPMG tested the processes and procedures for billing claims and posting of billing credits for UNE-P, UNEs, and resale.[243]

[235] WorldCom Brief, p. 21-22.

[236] WorldCom Brief, p. 23.

[237] WorldCom Brief, p. 27.

[238] OPC Post Hearing Brief, p. 31.

[239] OPC Post Hearing Brief, p. 32.

[240] Verizon DC OSS Reply Declaration at ¶17.

[241] Verizon DC OSS Reply Declaration at ¶ 20.

[242] Verizon DC OSS Reply Declaration at ¶ 21.

Verizon DC's declaration states that KPMG tested bills in an attempt to "live the CLEC experience" in the marketplace, and that the quality of Verizon DC's billing performance is confirmed by its performance for CLECs.[244] For Daily Usage Feed ("DUF") records sent within four business days (C2C Guideline BI-1-02), Verizon DC notes that it has exceeded the threshold of 95 percent for the months of February to August 2002.[245] Additionally, Verizon DC reports that timeliness in providing carrier bills to CLECs (C2C Guideline BI-2-01) for the same period has been measured at 100 percent.

Verizon DC states that the Commission has adopted those billing metrics developed by industry consensus in the New York Carrier-to-Carrier Working Group.[246] Specifically, the prior BI-3-01 and BI-3-02 measurements were dropped, and replacement metrics BI-3-04 and BI-3-05 were substituted. These metrics address Verizon DC's timeliness in acknowledging and resolving claims. Verizon DC asserts that the industry has determined that the dropped measurements did not properly measure the accuracy of billing performance. Verizon DC reported that measurements of performance under the replacement metrics exceeded the applicable standards for July and August 2002.[247]

Verizon DC states that it works with CLECs to resolve their issues, and that it has issued proper credits. Verizon DC believes that the CLEC proposal to limit backbilling for corrections to previous-period bills to a six-month period is unwarranted; there is no authority to support this position. Verizon DC states that it should have the right to bill for all services it renders; it also commits to updating its billing system to reflect new products "as quickly as is reasonable to expect."[248]

Verizon DC states that it provides a sufficiently clear identification of its charges to enable CLECs to compare them with services and facilities received. Verizon DC states that it includes all Universal Service Order Codes ("USOCs") on its website for CLECs to review for use in analyzing the elements for which they have been billed. Verizon DC also argues that CLEC concerns about outstanding billing disputes over discounts associated with the Bell Atlantic/GTE merger conditions do not raise a proper Section 271 issue.[249] Verizon DC states that it has experienced significant improvements in billing dispute levels in the District of Columbia, having reduced outstanding claims by 90 percent since January 2002.[250]

243 Verizon DC OSS Reply Declaration at ¶25.

244 Verizon DC OSS Reply Declaration at ¶28.

245 Verizon DC OSS Reply Declaration at ¶151.

246 Verizon DC OSS Reply Declaration at ¶153.

247 Verizon DC OSS Reply Declaration at ¶155.

248 Verizon DC OSS Reply Declaration at ¶168.

249 Verizon DC OSS Reply Declaration at ¶161.

250 Verizon DC OSS Reply Declaration at ¶166.

Verizon DC believes that it provides CLECs with adequate dispute tracking and identification numbers, and that upon claim resolution it adequately identifies credits.[251] Verizon DC contends that its practices are not cumbersome, and they are adequately explained on its website.

Verizon DC concedes that there may exist some issues with ExpressTRAK implementation, but believes that it has demonstrated the overall competence of the system, citing prior KPMG testing and the PwC attestation. Verizon DC acknowledges that CRIS bills are available on paper only, but minimizes the significance of this fact by observing that 99.5 percent of all wholesale billed telephone numbers in the District of Columbia already have been converted to ExpressTRAK.[252]

Verizon DC counters AT&T's implication that an attestation examination involves a lower than audit standard, asserting that an attestation entails only a different method of examination provided for by the American Institute of Certified Public Accountants.[253]

5. Analysis and Conclusions

The concerns expressed about Verizon DC billing include the adequacy of the KPMG test, the failure of any prior KPMG test to include electronic bills (only paper bills have been tested), the newness of the service-order processor used in the District of Columbia (ExpressTRAK), the difficulty in disputing bills and in determining the source of billing credits given by Verizon DC to CLECs, and the elimination of carrier-to-carrier metrics that measure the accuracy of bills. This Commission is not inclined to accept arguments about the general adequacy of KPMG testing in prior states, given the number of times it has already happened and the corresponding number of times that the FCC has granted Section 271 approvals after considering the results of that testing.

It is nevertheless of interest to note the very specific issue that testing has not previously included electronic billing, because Verizon DC has never made an electronic billing version the "bill of record" before OSS testing has been completed.[254] Taken alone, this fact might not have much significance. However, two other facts demonstrated by the record have more consequence. First, the record demonstrates that there have been accuracy problems arising under ExpressTRAK, which is still in a fairly early period of application. Second, the recent elimination of accuracy metrics from the District of Columbia C2C Guidelines has the potential for creating, over time, a lack of a sufficient external incentive to cure any problems that may continue. The Commission considers it appropriate to continue to monitor billing developments in the immediate post-Section 271 period and expresses here its intent to do so.

251 Verizon DC OSS Reply Declaration at ¶ 163.

252 Verizon DC OSS Reply Declaration at ¶ 171.

253 Verizon DC OSS Reply Declaration at ¶¶171-172.

254 WorldCom Brief, p. 20.

As is true for flow through, which is discussed elsewhere in this report, the purpose of this continued focus is to assure that immediate post-entry performance continues to show adequate progress toward satisfaction of appropriate standards. Specifically, the PAP and the mechanisms addressed in Formal Case No. 990 provide for a routine auditing program concerning the C2C Guidelines, which include billing metrics. The early audit scope under this program should be considered broad enough to include potential examinations of billing accurately and effectiveness under the systems now in place. Should experience over the first six months or so show continuing problems, the possibility of audits will allow a determination of whether any system problems exist and will provide for an examination of any underlying root causes.

If such audits prove appropriate, based on performance across this period, they may also serve as a helpful source of information in determining whether the absence of metrics addressing billing accuracy becomes a material weakness. While the old accuracy metrics, which have been eliminated, did not provide meaningful measures of accuracy, focused information about the sources of billing problems that may continue to exist will assist in designing any better measures that prove to be needed. Therefore, the Commission will determine whether Verizon DC should be required to commit to the potential use of the existing PAP auditing program for this purpose in the first two years of operation thereunder, in order to demonstrate that its OSS will operate soundly in the face of recent system changes and the elimination of billing accuracy metrics.

WorldCom asks for the incorporation in the District of Columbia of any improvements resulting from forums that take place in Pennsylvania. Taking advantage of lessons learned in other jurisdictions is important; however, there should be a mechanism that allows all stakeholders in the District of Columbia an opportunity to weigh in on the question of how changes in other states would affect the parties in this jurisdiction. The PAP and the procedures established in Formal Case No. 990 already provide processes for incorporating changes necessitated by circumstances in other jurisdictions. While experience gained in Pennsylvania and elsewhere can and should be included in that change mechanism, automatic incorporation of changes in other states is not appropriate. The Commission finds that the lack of a requirement to automatically adopt Pennsylvania changes in the District of Columbia is not a barrier to approval of the Verizon DC Section 271 application. PAP change procedures already in place will allow for the consideration of experience gained in other jurisdictions.

The evidence demonstrates that Verizon DC provides adequate support for CLECs that have questions or concerns about billing claims and the credit process. The resolution of those concerns or questions can require dialogue with Verizon DC personnel responsible for managing CLEC accounts, but such dialogue is appropriate given the complexity and the unique issues that billing problems may be expected to involve. The Commission finds that it is not necessary to require changes in the claims process in order to make Verizon DC's billing practices and procedures compliant with its checklist obligations.

C. KPMG OSS Test

1. AT&T

AT&T believes that the KPMG report's authors should be subject to cross-examination so that the "Commission may itself determine what weight, if any, to give the KPMG Report."[255] This process was used in the Pennsylvania, New Jersey, and Virginia Section 271 proceedings. AT&T asserts that Verizon DC is not ready to support wholesale services on a non-discriminatory basis,[256] and that the KPMG test does not prove that Verizon DC provides non-discriminatory access to its OSS.

AT&T states that Verizon has paid over $700,000 in Virginia and almost $834,000 in Maryland for the months of November 2001 to April 2002 for failing to meet performance standards.[257] AT&T says that it requested similar information from Verizon DC for the District of Columbia through a data request, but received no response. AT&T says that the Virginia and Maryland payments demonstrate that Verizon DC's OSS is not ready to provide non-discriminatory access for CLECs in the local exchange market; therefore, Verizon DC should be denied Section 271 approval.

AT&T also alleges that critical OSS functions were not a part of the KPMG testing in Virginia or were outside the testing scope. Specifically, AT&T says that KPMG did not test: (a) electronic billing and the billing of reciprocal compensation; (b) accuracy and reliability of metrics, specifically compliance with OSS business rules, verification of metrics change control, and validation of the correctness (or stability) of retail analogs for the parity of metrics; (c) billing claims, escalation, and the posting of credits; (d) provisioning of orders in high volumes; (e) actual directory listings in publications; (f) actual collocation; (g) E911 database updates; and (h) high capacity loops and interoffice facilities processes and end-to-end trouble report processing for special circuits, including EELs.[258]

The KPMG test only provides limited assurances of a functioning OSS for Verizon DC's wholesale customers, according to AT&T. Without the confirmation that would come from real commercial experience, there is no assurance that a test provides an accurate picture of OSS capabilities and functioning.[259] AT&T believes that the KPMG test should have included more CLEC experience.[260] Additionally, AT&T argues that the KPMG test did not, and was not designed to, test the OSS process end-to-end, and the test could not have been fully blind.[261] AT&T believes that KPMG tested piecemeal components of Verizon DC's OSS, and could not

255 AT&T OSS Declaration at ¶4.

256 AT&T OSS Declaration at ¶7.

257 AT&T OSS Declaration at ¶8.

258 AT&T OSS Declaration at ¶24.

259 AT&T OSS Declaration at ¶20.

260 AT&T OSS Declaration at ¶50.

261 AT&T OSS Declaration at ¶51.

fully evaluate all the linkages in the OSS required to support order movement through the systems.[262] The KPMG OSS test overemphasized process rather than results, according to AT&T, which also argues that the PwC sameness attestation carries over into the District of Columbia the errors and omissions of the Virginia testing.[263]

AT&T believes that the Commission should be concerned about a functioning OSS, not only when it comes to competition for business customers, but for residential customers as well.[264] AT&T alleges that the Commission has a vital role in this issue, because Verizon DC has every incentive to provide CLECs with poor OSS performance. AT&T is concerned that CLEC customers will not be aware that problems they are experiencing may be the result of the poor performance of Verizon DC's OSS.[265]

2. WorldCom

WorldCom believes that Verizon DC should be required to demonstrate that competitors have nondiscriminatory access to a fully operational OSS, which is critical for CLECs to compete in the local market. WorldCom states that there has been no KPMG third-party test of Verizon DC's OSS, and that the Commission should not rely on the results of KPMG's Virginia testing. That testing, according to WorldCom, suffers from inherent limitations, and does not reflect true commercial experience. The pseudo-CLEC environment created by KPMG began from clean databases and fictitious orders, which according to WorldCom, fails to reflect real-world operation conditions. WorldCom is also critical of the failure to test electronic billing in Virginia, whose testing Verizon DC offers in support of its Section 271 application for the District of Columbia.

Specific problems detailed by WorldCom include the failure of testing to use actual existing account data, the failure to look at how systems actually process orders, and the failure to test orders at every step of the process.[266] WorldCom cites the fact that KPMG was not blind to Verizon in the test. Verizon knew in advance when KPMG would be issuing an observation or an exception and certain key tests would be conducted. WorldCom says that flow-through testing was conducted with created accounts although actual accounts could have been used. WorldCom terms this practice the "scrubbing" of accounts, and claims that it made them unrepresentative of real world operation. To support this proposition, WorldCom invites attention to the KPMG's Virginia flow-through test result of 100 percent, which is much higher than the actual 70 to 75 percent being registered in the marketplace in recent months.[267]

262 AT&T OSS Declaration at ¶52.

263 AT&T OSS Declaration at ¶8.

264 AT&T OSS Declaration at ¶9.

265 AT&T OSS Declaration at ¶17.

266 WorldCom Declaration at ¶¶5-9.

267 WorldCom Declaration at ¶7.

WorldCom contends that KPMG focused more on inputs and outputs than on the systems that actually process the orders.[268] KPMG did not perform any root-cause analysis when a problem was found during testing. Without a root cause analysis, it is difficult, according to WorldCom, to be certain that the initial problem was corrected. WorldCom believes that KPMG testing was not completely end-to-end, because no orders were tested from the pre-order through the billing phases.[269]

Further, WorldCom reiterated that KPMG did not test electronic billing. Instead, KPMG tested the paper bill of its pseudo-CLEC, in order to determine the accuracy of its orders. Additionally, Verizon hired PwC to perform a verification of the electronic billing process, but PwC never actually tested the electronic billing system. Rather, says WorldCom, PwC reviewed the claims that Verizon DC made about its billing system. PwC compared Verizon DC's paper bill to its electronic bill and attempted to recalculate the bill; however, it did not recalculate all bill elements. WorldCom also points out that Verizon DC relies on the Virginia KPMG test for its Section 271 application, but the VA SCC never endorsed the results of this testing.[270]

3. Verizon DC Reply

Verizon DC states that the District of Columbia OSS is commercially available today, and that there is no necessity for a "commercial availability period prior to Section 271 approval."[271] Additionally, no such requirement existed in Virginia, New Jersey, Massachusetts, Rhode Island, Vermont, New Hampshire, Connecticut, or Delaware. Over 55 CLECs are using the District of Columbia OSS today for commercial operation, according to Verizon DC. In August 2002 alone, 70,000 pre-order transactions, more than 15,000 ordering transactions, 420 maintenance transactions, and 230 ExpressTRAK, and 125 CABS bills were executed in the District of Columbia.[272]

For District of Columbia CLECs, Verizon DC's maintenance and repair OSS supports over 420 maintenance transactions per month.[273] Verizon DC's billing systems generate more than 230 ExpressTRAK and approximately 125 CABS CLEC bills per month and approximately three million call usage records per month. Verizon DC contends that these numbers reflect sufficient "real life" commercial activity.

268 WorldCom Declaration at ¶8.

269 WorldCom Declaration at ¶9.

270 WorldCom Declaration at ¶12.

271 Verizon DC OSS Reply Declaration at ¶11.

272 Verizon DC OSS Reply Declaration at ¶12.

273 Verizon DC OSS Reply Declaration at ¶13.

Verizon DC responds to CLEC claims that the Virginia KPMG OSS test was inadequate in scope and scale. It first notes that the testing took place under the direction of the VA SCC.[274] The Virginia KPMG test was modeled after the New York, Pennsylvania, and New Jersey tests; Verizon has received Section 271 approval after such testing in these states. Verizon DC states that CLECs participated in the Virginia test, and the VA SCC held full hearings to examine the test procedures and results. KPMG experts were questioned, but CLECs did not raise any serious questions, according to Verizon DC.[275] Verizon DC points out that the Virginia hearing examiner noted that many of the testing issues raised by AT&T and other carriers involved the same criticisms raised before and rejected by the FCC. Verizon DC observes that the KPMG test evaluated 542 test points; two were deemed inconclusive and only one was rated "not satisfied."[276] The remaining 539 test points, or 99.4 percent, were all satisfied.

Verizon DC concedes that KPMG did not specifically test electronic billing; however, KPMG conducted a comprehensive evaluation of Verizon VA's ability to provide nondiscriminatory billing to CLECs.[277] KPMG used the "bill of record" which was the paper bill. All 75 test points were deemed satisfied by KPMG. Verizon DC emphasizes that the Virginia billing procedures and systems are the same as they are in the District of Columbia.[278] Additionally, PwC conducted two sequential examinations, covering two sets of assertions regarding the BOS BDT bills in the District of Columbia.[279] PwC matched the paper bill to the electronic bill to recalculate specific elements and found that the two billing mediums are comparable. Therefore, Verizon DC claims, the KPMG billing test in Virginia is directly relevant to the CLEC bills in the District of Columbia.

Concerning the claims that the volume test had significant shortcomings, Verizon DC asserts that the same volume tests were performed in New York, Massachusetts, New Jersey, and Pennsylvania.[280] KPMG measured the results using 37 different test criteria, and Verizon satisfied all of them. Verizon DC says that the claim that KPMG did not test collocation is incorrect; KPMG tested Verizon's collocation policies, procedures and documentation to determine compliance with 11 tests, and all were satisfied.[281]

Verizon DC states that KPMG tested the order process for high-capacity circuits and end-to-end trouble report testing for special circuits. Specifically, 150 DS-1/DS-3 loop installations, which involved 1,172 tasks, resulted in 95.9 percent proficiency. End-to-end trouble report

274 Verizon DC OSS Reply Declaration at ¶14.

275 Verizon DC OSS Reply Declaration at ¶15.

276 Verizon DC OSS Reply Declaration at ¶16.

277 Verizon DC OSS Reply Declaration at ¶17.

278 Verizon DC OSS Reply Declaration at ¶18.

279 Verizon DC OSS Reply Declaration at ¶19.

280 Verizon DC OSS Reply Declaration at ¶27.

281 Verizon DC OSS Reply Declaration at ¶29.

processing was also evaluated by KPMG.[282] As a third party tester, KPMG was not in a position to provide "root cause analysis" of problems that arose, according to Verizon DC. Nevertheless, according to Verizon DC, KPMG did identify problems in its observation and exception process.[283] Concerning the claim that end-to-end testing could not be fully blind, Verizon DC states that other tests in adjoining jurisdictions were conducted in the same fashion.[284] The demand for a root cause analysis in lieu of strict inputs and outputs testing, therefore, misses what Verizon DC considers the point of the testing procedures of KPMG. Verizon DC states that six state commissions and the FCC have relied on KPMG's tests and the PwC sameness attestation. Verizon DC believes that the Commission can rely on these as well.[285]

4. Analysis and Conclusions

AT&T claims that testing by KPMG in other states has failed to address issues significant to consideration of Verizon DC's Section 271 application. WorldCom criticizes a more limited number of OSS testing aspects. In particular, these criticisms apply to the Virginia testing on which Verizon DC places substantial reliance in this jurisdiction. The principal issue is whether claimed weaknesses in the Virginia test should be considered here. More specifically, AT&T's concerns about the sufficiency of OSS testing include:

- KPMG failed to test: (a) electronic billing and the billing of reciprocal compensation; (b) accuracy and reliability of metrics, specifically compliance with OSS business rules, verification of metrics change control, and validation of the correctness (or stability) of retail analogs for the parity of metrics; (c) billing claims, escalation, and the posting of credits; (d) provisioning of orders in high volumes; (e) actual directory listings in publications; (f) actual collocation; (g) E911 database updates and; (h) high capacity loops and interoffice facilities processes and end-to-end trouble report processing for special circuits, including EELs.[286]

- KPMG testing did not provide real commercial experience, and more CLEC experience should have been included.[287]

- KPMG testing did not include end-to-end (*i.e.*, pre-ordering through provisioning) testing of orders and transactions

- KPMG testing was not sufficiently blind and it relied more upon processes than results[288]

282 Verizon DC OSS Reply Declaration at ¶31.

283 Verizon DC OSS Reply Declaration at ¶33.

284 Verizon DC OSS Reply Declaration at ¶32.

285 Verizon DC OSS Reply Declaration at ¶36.

286 AT&T OSS Declaration at ¶7; Verizon DC OSS Reply Declaration at¶¶11-12.

287 AT&T OSS Declaration at ¶¶20, 50; Verizon DC OSS Reply Declaration ¶36

288 AT&T OSS Declaration at ¶¶51-52; Verizon DC OSS Reply Declaration at ¶¶32, 36.

- KPMG did not perform a "root cause analysis" of problems it found in the Verizon OSS[289]

- KPMG could not test all order types, troubles and processes.[290]

Verizon DC contests the accuracy of these claims. Verizon DC also notes that the FCC has already concluded that the KPMG test conducted for the VA SCC was broad and objective, and that it provided meaningful evidence in support of Section 271 approval.[291] Given the extensive history of Verizon OSS testing in general, the specific testing done in Virginia, the evidence demonstrating that the systems and processes tested in Virginia are the same as those used in the District of Columbia, and the FCC's consistent acceptance of that testing, the Commission concludes that additional, District of Columbia-specific testing would not have a sufficient probability of producing further knowledge or insight that the FCC would find probative.

WorldCom cites KPMG testimony in Maryland that there could be variations or unique items that a previous state's test did not address in support of its position that this Commission should not rely on KPMG's Virginia testing as fully applicable in the District of Columbia.[292] WorldCom notes what is possible and what could happen. However, the record in this proceeding presents no basis for determining that there is a significant possibility that such variances will cause material performance differences in the District of Columbia. The evidence presented by Verizon DC, moreover, supports such a conclusion. Against it, neither WorldCom nor any other party has presented evidence that would give weight to the hypothetical concerns about possible, unknown differences in the District of Columbia OSS.

The statement by KPMG that there could be a 20 to 30 percent variation between tests in Maryland and Virginia does not automatically mean that such a variation will occur. It can only be taken as a proposition that there is some unquantified probability that the maximum difference could reach this level, which implies that, at the 50 percent confidence level, the expected difference level would be much less than the 20 to 30 percent maximum variation.[293] Absent specific reasons for differences in test results in the District of Columbia, those who would diminish the usefulness of KPMG's Virginia testing here have not created substantial grounds for doubt. This Commission does not conclude that there are no differences in the District of

289 WorldCom Declaration at ¶8; Verizon DC OSS Reply Declaration at ¶33.

290 AT&T OSS Declaration at ¶47; Verizon DC OSS Reply Declaration at ¶¶32 ,36.

291 *In the Matter of Application by Verizon Virginia, Inc., Verizon Long Distance Virginia, Inc., Verizon Enterprise Solutions Virginia, Inc., Verizon Global Networks, Inc., and Verizon Select Services of Virginia, Inc. for Authorization to Provide In-Region, InterLATA Services in Virginia*, Memorandum Opinion and Order, FCC 02-297, ¶ 26-27, rel. October 30, 2002.

292 WorldCom Brief, p. 13.

293 For example, there may be a one percent chance that the maximum variation is 20 to 30 percent and a 90 percent chance that the variation is less than 10 percent.

Columbia, but it does conclude that the FCC's past use of test results in the Verizon region makes it reasonably clear that it will not be convinced by the argument that there may be differences.

D. Completion Notices

1. WorldCom

WorldCom states that Verizon DC has failed to provide timely provisioning completion notices ("PCNs"), which has affected WorldCom's ability to serve customers. WorldCom says that Verizon DC has not responded to a request for a root cause analysis to explain why the PCN problem has been occurring.[294] WorldCom also says that Billing Completion Notices ("BCNs") have caused problems in several states.[295]

2. Verizon DC Reply

Verizon DC says the record shows that it delivers the vast majority of completion notifiers on time and that, for late ones, it resolves exceptions in a timely manner. Verizon DC states that, in the District of Columbia, measured performance under both PCN and BCN metrics exceeded the 95 percent standard for July and August of 2002. [296] Verizon DC also has established a Purchase Order Number ("PON") Exception process to provide CLECs with the status of PONs in question and resend notifiers when missing.[297] Such notifiers are resent in response to a CLEC trouble ticket indicating that notifiers are missing on the CLEC side of the interface. Verizon notes that WorldCom reported less than two percent of its notifiers as late or missing between January and October 2002 and that only 75 WorldCom exceptions addressing missing or late notifiers existed at the end of October 2002.[298]

3. Analysis and Conclusions

WorldCom takes issue with the claim by Verizon DC that the missing notifier problem has been resolved. WorldCom notes that late or missing WorldCom notifiers for the first 10 months of 2002 remain at 1.9 percent in six Verizon states and that over 500 of them came from operations in the District of Columbia.[299] WorldCom's information does not segregate these late or missing notifiers by vintage. Moreover, WorldCom does not explain the significance of a 1.9 percent problem rate in the context of Verizon's citation of a standard of not greater than 5 percent. The evidence demonstrates that Verizon DC performed above the applicable metrics

294 WorldCom Declaration at ¶¶14-17.

295 WorldCom Declaration at ¶¶14-18.

296 Verizon DC OSS Reply Declaration at ¶ 101.

297 Verizon DC OSS Reply Declaration at ¶ 103.

298 Verizon DC OSS Reply Declaration at ¶105.

299 WorldCom Brief, p. 16.

standards in the period following the changes it made to resolve the problem specific to WorldCom.

Given the satisfaction of the standards established by the C2C Guidelines and the specific efforts that Verizon has undertaken to address the problem that existed, this Commission finds no reason to question checklist compliance with respect to this aspect of Verizon DC's performance.

XIX. Performance Measurements

A. Verizon DC Measurements Declaration

This declaration describes the District of Columbia Carrier-to-Carrier Guidelines Performance Standards and Reports adopted on November 9, 2001, and later modified in orders released March 18, 2002, June 18, 2002, and September 5, 2002.[300] Verizon DC provides performance results for the months of February through April 2002 in an attachment to the declaration. Verizon DC indicates that it will report September 2002 results under the revised C2C Guidelines adopted by the Commission on June 18, 2002. The Commission adopted a compromise performance assurance plan in Formal Case No. 990 in Order No. 12451, released September 9, 2002.

Performance measurements constitute "the business rules, formulae and processes that Verizon DC uses each month to measure the quality of its performance for each CLEC and Reseller in the District of Columbia, and for all CLECs and Resellers in aggregate." [301] Verizon DC has established two types of performance standards for these measures: parity and benchmark. If there is an analogous Verizon DC service, then the standard is parity with Verizon's retail operations; otherwise, the C2C Guidelines provide a benchmark standard. There are seven categories for the performance measures, which include a total of 37 metrics and 176 sub-metrics.

Verizon DC provides an overview of the specific performance metrics for each of the following categories: pre-ordering, ordering, provisioning, maintenance and repair, network performance, billing performance, and operator services and databases.[302] Verizon DC reports that its measured performance results, which KPMG and PwC have independently reviewed demonstrate successful implementation of performance measurements, standards and reporting.[303]

300 Verizon DC Measurements Declaration at ¶5.

301 Verizon DC Measurements Declaration at ¶10.

302 Verizon DC Measurements Declaration ¶¶12-106.

303 Verizon DC Measurements Declaration at ¶107.

B. Adequacy of KPMG Metrics Testing

1. AT&T

In order to determine whether Verizon DC is meeting parity standards, AT&T states that it is critical to identify and measure against appropriate retail analogs; however, the identification of these retail standards was beyond the scope of the KPMG test. AT&T further maintains that the payments that Verizon makes to other jurisdictions under the performance assurance plans provide evidence that Verizon DC is not meeting its obligations under Section 271.[304]

2. Verizon DC Reply

Verizon DC states that its performance measurement production and reporting processes have been subject to extensive third-party review. KPMG tested the results in Virginia, New York, Massachusetts, Pennsylvania, and New Jersey. The FCC relied on these tests in determining that Verizon met its checklist requirements in those jurisdictions. Additionally, the FCC relied on these tests in adjoining states such as Rhode Island, Maine, Vermont, Connecticut, Delaware, and New Hampshire where Verizon gained Section 271 entry. Furthermore, the U.S. Department of Justice recognized that the KPMG testing relied upon here was comprehensive, according to Verizon DC.[305]

C. Business Metrics Rules

1. AT&T

AT&T claims that KPMG did not require Verizon to create a separate document restating the business rules for metrics implementation. KPMG instead relied on undocumented, non-public information in order to synchronize its replication effort with Verizon results. As a consequence, argues AT&T, KPMG's favorable findings for parity standards are undermined by its failure to evaluate Verizon's performance against clear and complete metrics business rules.[306]

2. Verizon DC Reply

Verizon DC states that a separate statement of these business rules is not required for Section 271 approval. Verizon DC provides business rules in its CLEC Handbook.[307] KPMG, according to Verizon DC, states in its report that it performed tests to evaluate overall policies and practices for managing and changes to metrics, and that all of the test points were satisfied. The FCC has concluded that Verizon's compliance with change control metrics demonstrates

304 AT&T OSS Declaration at ¶8.

305 Verizon DC Measurements Reply Declaration at ¶¶5-6.

306 AT&T OSS Declaration at ¶30.

307 Verizon DC Measurements Reply Declaration at ¶9.

transparency and openness into inherently complex data collection processes.[308] Verizon DC states that its performance speaks for itself. Further, the FCC has not held that performance reports constitute a litmus test for compliance with the Section 271 checklist; Verizon notes that it continues to pay fines associated with performance assurance plans in states where Section 271 entry has been granted.[309]

D. Retail Analogs

1. AT&T

AT&T asserts that the KPMG test is flawed, because it did not test the appropriateness of the retail analogs in the C2C Guidelines. It states, "KPMG did not make any analysis of whether the retail analogs chosen by Verizon's unilateral interpretation of the metrics produced a reasonable standard."[310] As a result, AT&T believes that KPMG's favorable evaluation of Verizon's metrics, where the standard is parity with retail, is questionable.

2. Verizon DC Reply

Verizon DC observes that the FCC, in the New Jersey Section 271 proceeding, rejected AT&T's claim that KPMG did not test the appropriateness of retail analogs and found that KPMG did test whether Verizon selected a retail analog consistent with the New Jersey Board's carrier-to-carrier guidelines. Verizon DC asserts that a retail analog comparison table illustrating the retail comparison group for provisioning and maintenance metrics, which identifies Verizon DC's retail analogs, is included in the updated version of the District of Columbia C2C Guidelines. Verizon DC says that AT&T has failed to challenge these listings in any state where they apply.[311]

E. Accuracy of Retail Scores

1. AT&T

AT&T claims that KPMG failed to test the accuracy of Verizon's reported retail data. This failure calls into question the reliability of KPMG's favorable findings of parity with retail performance, because the Z-score, the measure of statistical significance, relies on the accurate reporting of Verizon's retail data.[312]

308 Verizon DC Measurements Reply Declaration at ¶11.

309 Verizon DC Measurements Reply Declaration at ¶¶13-14.

310 AT&T OSS Declaration at ¶31.

311 Verizon DC Measurements Reply Declaration at ¶8.

312 AT&T OSS Declaration at ¶32.

2. Verizon DC Reply

Contrary to AT&T's assertion, the KPMG report "evaluated the processes and systems used to capture Verizon VA retail and wholesale metrics for all domains" according to Verizon DC.[313] Several discrete verification and validation reviews tested systems for collecting raw data, for extracting raw and processed data, and for using this data to replicate performance results. Verizon DC again points out that this is essentially the same testing that supported Verizon's long distance entry in New York, Massachusetts, Pennsylvania, New Jersey, Rhode Island, Connecticut, Maine, Vermont, New Hampshire, Delaware, and Virginia.

F. Replication of Results

1. AT&T

The VA SCC Staff ("VA Staff") had great difficulty in replicating Verizon's metrics results, according to AT&T. Among the problems encountered were incomplete data and subsequent changes to data that were not communicated to VA Staff. The VA Staff received special Change Control Records ("CCRs"), which enabled them to replicate the metrics, but CLECs do not have access to these CCRs. Moreover, if the Commission is going to rely on the metrics to detect performance problems, the procedures for determining which retail standards are analogous to wholesale standards must be appropriate.[314] AT&T believes that it is important to undertake for the District of Columbia the same type of replication effort that the VA Staff performed.

2. Verizon DC Reply

Verizon DC argues that AT&T's suggestion that this Commission "follow through" on the VA Staff's replication effort places an unnecessary burden on the Commission because that effort would be time-consuming and complex. Full replication already has taken place in Virginia, and the underlying systems used to prepare performance reports in the District of Columbia are the same. Furthermore, replication by a state public service commission is not required for Section 271 approval.[315]

G. Accuracy of Carrier-to-Carrier Reports

1. AT&T

Asserting that Verizon initiated more than 50 substantive change control notifications in New Jersey, AT&T concludes that this Commission will need to determine whether the same problems affect performance measurements in the District of Columbia.[316]

313 Verizon DC Measurements Reply Declaration at ¶7.

314 AT&T OSS Declaration at ¶¶33-37.

315 Verizon DC Measurements Reply Declaration at ¶ 15.

316 AT&T OSS Declaration at ¶ 37.

2. Verizon DC Reply

Verizon DC asserts that AT&T's claim about errors in the New Jersey reports was rejected in the FCC's New Jersey Section 271 Order, where the FCC concluded that, "the metrics change control process, and Verizon's compliance with that process, provides improved transparency and openness into a data collection effort that is inherently complex and iterative."[317] Verizon DC explains that change controls may be issued for many reasons, and may not be indicative of reporting errors. In the District of Columbia for August 2002, Verizon DC says that it issued seven change controls. Verizon DC asserts that a comparison of August and July 2002 performance reports shows no substantial changes to results for 31 of the 32 sub-metrics affected by the change controls. Verizon DC concludes by stating that the one remaining sub-metric change appears to result from the small sample size of measured transactions.[318]

H. Analysis and Conclusions Regarding AT&T's Metrics Arguments

AT&T raises several challenges (set forth in the preceding sections C through G) regarding the general accuracy of measurements of Verizon DC's performance under the C2C Guidelines applicable in the District of Columbia:

- *Metrics Business Rules*: KPMG did not review Verizon's compliance with the Metrics Business Rules, and relied on undocumented public information from Verizon to synchronize the metrics replication effort.[319]
- *Retail Analogs*: KPMG did not review any documentation of Verizon's chosen retail analogs, and did not analyze whether Verizon's interpretation of the related metrics produced a reasonable standard.[320]
- *Accuracy of Retail Scores*: KPMG did not verify the accuracy of the retail scores and the number of retail observations reported by Verizon.[321]
- *Replication of Results*: VA Staff had great difficulty in replicating Verizon's metrics results, and CLECs cannot replicate the results at all because they do not receive the requisite Change Control Records to do so.[322]

Although these arguments challenge the sufficiency of KPMG OSS testing, AT&T has not supported them with any specific evidence showing that Verizon DC's measurements demonstrate error with respect to its operations in the District of Columbia. In addition, the PAP provides for routine auditing of the accuracy of Verizon DC's performance reporting in the

317 Verizon DC Measurements Reply Declaration at ¶ 11, citing the New Jersey 271 Order at ¶ 91.

318 Verizon DC Measurements Reply Declaration at ¶ 12.

319 AT&T OSS Declaration at ¶30.

320 AT&T OSS Declaration at ¶31.

321 AT&T OSS Declaration at ¶32.

322 AT&T OSS Declaration at ¶¶34-36.

District of Columbia. Each of the issues raised by AT&T falls within the scope of post-Section 271 audits. Should there be any material questions about the accuracy of the Verizon DC reports, in any of these areas of concern, the anticipated audits will provide an effective and timely means for addressing them. Particularly in the absence of any evidence that would raise concern about measurement accuracy at this time, the Commission concludes that AT&T's challenges do not offer a material reason for recommending that Verizon DC be denied Section 271 approval.

I. Change Management

1. WorldCom

WorldCom argues that Verizon DC has deviated from established change management processes.[323] As an example, Worldcom contends that Verizon DC proposed a change that would have permitted Verizon DC to embargo new orders from CLECs experiencing problems in making current payments for existing services and facilities. While that change did not jeopardize the use of existing services and facilities, it did have the effect of preventing a CLEC from expanding its use of those services and facilities.

2. Verizon DC Reply

Verizon DC states that it has issued 531 change management notices. The one instance of claimed violation of change management processes concerned the Verizon DC classification of a particular change as one not requiring comment from other parties before initiation. Verizon DC states that the classification issue is not "competitively significant," because the change would not affect the vast majority of CLECs.[324] Additionally, Verizon DC reclassified the one change cited back to a "Type 4" change, which had the effect of allowing CLEC comments on the change.

3. Analysis and Conclusions

While commending Verizon DC's overall historical performance in managing changes to the processes, systems and in following the rules by which it interacts with CLECs, WorldCom took exception to the recent instance in which the incumbent made a change without undergoing the review and comment procedures normally applicable.[325]

323 WorldCom Declaration at ¶31.

324 Verizon DC OSS Reply Declaration at ¶¶176-178.

325 WorldCom at pp. 11-12.

The specific complaint, which Verizon DC does not deny, was that it treated the change as one induced by regulatory requirements, as opposed to one initiated for its own internal reasons. After complaint, Verizon DC agreed to reclassify the change, making it subject to a number of pre-institution steps that include CLEC participation.

The existence of proper controls over the process of changing ILEC/CLEC interface practices and requirements is important to effective market operation. CLECs must not only have required access, but they must have predictable, stable ways of gaining it. The actions of Verizon DC in the instance discussed jeopardize this ability. However, the evidence shows the one cited problem to be anomalous. In making its complaint here, WorldCom acknowledges Verizon DC's good prior performance. WorldCom also does not present any evidence that the single incident cited demonstrates a systematic departure from that prior performance. That Verizon DC appropriately reclassified the nature of the change upon complaint, in fact, tends to indicate that the incident represents an isolated occurrence.

The Commission concludes that it is reasonable to expect that Verizon DC will, in the future, operate under change management procedures and business rules that continue to give CLECs sufficient opportunity to understand, and in appropriate cases to contribute to discussion of the merits of, changes in advance of their implementation. Therefore, the Commission finds no basis to conclude that on this aspect of performance Verizon DC fails to meet any standard applicable in considering Section 271 approval.

J. Flow-Through

1. AT&T

AT&T states that the performance on flow-through orders is substandard.[326] It believes that manually handled orders create more errors to the ordering process, therefore causing additional problems. AT&T avers that Verizon DC should not be found to be meeting this checklist item unless it reaches the 95 percent flow-through threshold it is required to achieve under the C2C Guidelines.[327] AT&T asserts that Verizon DC's metrics reports identify substandard performance for the months of February through March 2002, which is significantly different from the 100 percent flow-through results of the KPMG test. AT&T expresses particular concern about the fact that the standard is not being met even with low current order volumes.[328] Additionally, AT&T believes that the KPMG test did not examine the back-end systems during flow-through testing.[329]

326 AT&T OSS Declaration at ¶ 60.

327 AT&T OSS Declaration at ¶ 62.

328 AT&T OSS Declaration at ¶ 68.

329 AT&T OSS Declaration at ¶ 69.

AT&T believes that Verizon DC is not fixing problems with flow-through, and is incorrectly blaming certain problems on supplemental orders submitted by CLECs.[330] AT&T believes that supplemental orders constitute an important market reality. Another problem with the KPMG flow-through test, according to AT&T, is that KPMG did not consider staffing issues to link the flow-through rate to manual handling of the orders.[331] AT&T opines that if Verizon DC uses manual intervention to handle flow-through orders, non-flow-through orders will inundate Verizon DC's work centers. Further, AT&T suggests that the difference in time to return a confirmation on a manually processed order (as compared with a flow through order) adversely affects the end user's provisioning activities.

AT&T believes that, until Verizon DC meets its flow-through requirements, Section 271 entry should not be permitted. AT&T specifically cites metric OR-5-03, which sets a 95 percent standard for achieved flow-through of UNE orders, and the ramp up standard of 80 percent for total UNE flow-through established in metric OR-5-01.[332] AT&T believes that, regardless of the ramp up time Verizon DC has been allowed to bring performance to this level, the incumbent must meet the standards set by these critical metrics before Section 271 entry.

2. Verizon DC Reply

Verizon DC states that the FCC has not set a minimum level of flow-through for 271 approval. To the contrary, the FCC has stated that, "it would be inappropriate to consider flow-through rates as the sole indicia of parity."[333] Verizon DC contends that it is handling commercial volumes today, and that its flow-through rate of 80 percent is significantly higher than in other states.[334] Verizon DC cites its C2C Guidelines performance in "Order Confirmation Timeliness" (OR-1) and "Reject Timeliness" (OR-2) for non-flow-through orders. In August 2002, the results were over 97 percent, which exceeds the standard of 95 percent.[335] In addition, Verizon DC believes that the C2C Guidelines reports of manual orders demonstrate strong performance. Measurements of "Percent Accuracy-Opportunities" for the period ending April through August 2002 for UNEs and resale were constantly over 98 percent.[336]

[330] AT&T OSS Declaration at ¶ 70.

[331] AT&T OSS Declaration at ¶ 73.

[332] AT&T OSS Declaration at ¶ 62. The District of Columbia PAP provided for a ramp up of standards in the flow through metrics to provide Verizon DC with an opportunity to improve its performance in this area. *See*, Order No. 12451, ¶ 22.

[333] Memorandum Opinion and Order, Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York, 15 FCC Rcd 3953 ¶76 (1999) (New York Order).

[334] Verizon DC OSS Reply Declaration at ¶¶72-75.

[335] Verizon DC OSS Reply Declaration at ¶88.

[336] Verizon DC OSS Reply Declaration at ¶89.

Verizon DC labels as speculative the CLEC claim that, as mass marketing commercial activity increases, there is a greater likelihood that Verizon DC will prove unprepared to handle orders effectively.[337] The claim is that the resources of Verizon's National Marketing Centers ("NMCs") will be inundated, therefore creating additional troubles for CLECs. Verizon DC says that this argument fails to consider that a majority of these orders will flow through and that there will be no need for a marketing representative to ever handle them. Achieved flow through for August 2002 was 93.61 percent in the District of Columbia, according to Verizon DC. In any event, Verizon DC says, it analyzes flow through performance, and works to improve the results, as part of a business plan to improve flow through rates, as this will benefit its wholesale customers and the company itself. [338] In addition, Verizon DC says that it offers monthly workshops for CLECs in an attempt to improve the ordering process, which in turn will increase flow through rates.[339]

Verizon DC states that it carefully monitors its workforce load requirements, adjusts accordingly, and adequately trains its representatives. Verizon DC contends that there is no evidence that would support a lack of competence by its representatives, and that it will meet the requirements of the market.[340]

Verizon DC also believes that there is no difference in the time taken to return a confirmation on a manually processed order as opposed to a flow-through order. Therefore, manual processing should not affect CLEC provisioning work.[341] Due dates for orders that require a dispatch are determined by the standard interval. For orders that require dispatch, the CLEC determines the due date based upon the "Greenlight Date" when it submits its order. As long as the CLEC meets the "Greenlight Date," the Verizon DC representative will use the CLEC submitted due date.

337 Verizon DC OSS Reply Declaration at ¶78.

338 Verizon DC OSS Reply Declaration at ¶83.

339 Verizon DC OSS Reply Declaration at ¶84.

340 Verizon DC OSS Reply Declaration at ¶¶93-94.

341 Verizon DC OSS Reply Declaration at ¶95.

3. Analysis and Conclusions

There are C2C Guidelines metrics that address the percentage of CLEC orders or transactions that should flow through Verizon DC's systems without the need for human intervention. Flow through provides one important measure of two important characteristics of Verizon DC's service quality: (a) timeliness and (b) accuracy in getting CLECs what they have asked of the incumbent. The FCC does not consider flow-through measurements to be conclusive, but considers them one of many significant indicators of OSS performance.[342] In addition, flow-through measurements are complicated by the fact that some of the problems that cause an order to fall out of the systems for manual processing are caused by CLECs, not just by Verizon DC.

For these reasons, flow-through has been a significantly contested issue. The FCC has set no specific, objective floor on flow through performance for purposes of Section 271 approval.[343] However, metrics in the C2C Guidelines set a 95 percent standard for Verizon DC for achieved flow-through of UNE orders (Metric OR-5-03), and a Special Provision standard for total UNE flow through (Metric OR-5-01). Verizon DC's evidence filed before the hearings indicated that flow through performance was not at this level, but that:

- Flow-through was consistent with or superior to levels being achieved in other states at the time the FCC approved Section 271 applications; and
- Flow-through has been consistent with the ramp-up to the 95 percent level that CLECs agreed to for the District of Columbia.[344]

342 *Pennsylvania Order*, ¶48.

343 *New York Order*, ¶161.

344 *See*, Order No. 12451, ¶ 22.

Evidence submitted on cross-examination by Verizon DC's President for District of Columbia operations indicates that flow-through performance in the most recent months has been essentially at or above the 95 percent benchmark. As a general matter, the issue of flow-through should be considered a dynamic one. The first and most important inquiry is whether performance is on a positive trajectory over time. This much is indicated by the agreement in the District of Columbia to apply a ramp-up toward 95 percent. For AT&T to argue that a 95 percent standard is required, regardless of this ramp-up provision, is both disingenuous and inconsistent with prior FCC treatment of the issue of flow through. At the same time, it strains credibility for Verizon to contend, on the one hand, that its systems for serving other states are similar and in a number of cases identical to those serving the District of Columbia, while, on the other hand, to contend that the proper comparison basis is not what those other states are experiencing now, but what they experienced at other time points, some of which are significantly in the past.[345] The best way to analyze this issue is to determine whether the flow-through measurements being reported: (a) inspire sufficient confidence as to their accuracy; (b) show a sufficiently improving trend in the recent past; and (c) are likely to show continued improvement into the future.

AT&T has raised the issue of the confidence that can be placed in flow-through measurements. AT&T has said that the KPMG flow-through test did not examine flow-through orders beyond the delivery of the Firm Order Commitment or the Local Service Request Confirmation, thus leaving open the issue of performance at the "back end" of the CLEC experience, *i.e.*, provisioning, maintenance/repair and billing.[346] AT&T also says that an adequate test of flow-through requires an evaluation of manpower requirements to determine whether Verizon has adequate and properly trained staff.[347] Furthermore, AT&T questions whether Verizon DC has submitted sufficient evidence to prove that it will be able to flow-through orders at commercially significant volumes.[348]

345 Verizon DC's brief asserts at page 35 that District of Columbia flow-through rates in August 2002 were higher than the rates for eight other Verizon states, citing Verizon DC's OSS Reply Declaration ¶75. However, that paragraph does not support the conclusion as stated. The comparison was not among August 2002 rates for all states, but between the August 2002 rate in the District of Columbia and the rates for the other eight states when their 271 reviews were being concluded.

346 AT&T OSS Declaration at ¶¶41-42.

347 AT&T OSS Declaration at ¶¶43 and 73.

348 AT&T OSS Declaration at ¶¶68-71.

For reasons described elsewhere in this report, the Commission finds that challenges to the sufficiency of KPMG's testing do not warrant the time and expense of additional testing. Moreover, it is clear that the FCC has never required a period of commercial testing prior to Section 271 approval. Verizon DC's performance in achieving flow through does not present any reason for imposing special pre-Section 271 approval requirements here. However, the record, again as is described elsewhere in this report, shows that Verizon DC has made significant changes in the service order processor that serves the District of Columbia (*i.e.*, ExpressTRAK), and that the introduction of this system has caused a number of problems and errors that have affected CLECs.

The evidence indicates that Verizon is achieving higher flow-through rates in other states than it is in the District of Columbia.[349] Recent reported performance appears to approach the metric standard; however, the Commission finds it appropriate that focused post-Section 271 attention remains on this important issue in dockets before the Commission. The purpose of this continued focus is to assure that immediate post-entry performance continues to show adequate progress toward satisfaction of the applicable standards. Specifically, the PAP and the C2C Guidelines performance reports provide for a routine auditing program concerning the C2C Guidelines, which include the flow-through measures at issue here. The primary goal of that auditing is to assure that measures accurately reflect the performance being delivered. The Commission believes that the early audits under this program should include the capability to examine whether flow-through performance specifically is being affected by any system problems and generally to examine the underlying root causes, in the event that flow-through performance in the District of Columbia does not come to match the standards and the levels being experienced in other Verizon jurisdictions.

Such auditing will not prove necessary in the event that flow-through performance does reach the metric standards and remain there in the near term, and should there remain no material differences in flow-through rates being achieved in the District of Columbia and other jurisdictions after Section 271 approval. However, should events prove otherwise, auditing may serve to assess the underlying causes and to determine whether any performance variances relate to a failure of Verizon DC to complete the start-up of new systems or to a failure to continue work to bring District of Columbia flow-through rates to best achievable levels. Given the history of flow-through and the joint contribution that ILECs and CLECs make to achieving flow-through,[350] this more dynamic approach to assessing it may be preferable to static measurement of performance.

[349] AT&T OSS Declaration at ¶63.

[350] The FCC made it clear in the *Massachusetts Order* that flow through results are function of actions by both the ILEC and the CLEC. *Memorandum Opinion and Order, Application of Verizon New England Inc., et al., For Authorization to Provide IN-Region InterLATA Services in Massachusetts*, 16 FCC Rcd 8988, ¶203 (2001).

K. Late or Inaccurate Performance Reports (Verizon DC Veto Over PAP Changes)

1. Summary of the Evidence

This issue did not arise in the prehearing filings of any of the participants. However, the testimony elicited on cross-examination makes it clear that Verizon DC believes that it has the power to reject any future change to the PAP already approved by this Commission. More specifically, Verizon DC takes the position that it must approve any such change for it to be considered effective.[351] One specific context for this dispute is the three-month trial period this Commission established for consideration of the issue of late or inaccurate monthly performance reports. There exists an issue about the scope of the Commission's ability to revisit the underlying PAP issues upon completion of that trial.

WorldCom urges, in its brief, that this Commission should explicitly require Verizon DC to correct and resubmit performance reports, not only during the three-month implementation period established in the decision in Formal Case No. 990, but indefinitely into the future. WorldCom also asks for the imposition of penalties for noncompliance with reporting requirements.[352] AT&T asks that Verizon DC be required to make an explicit commitment not to challenge the Commission's authority to adopt, enforce, or modify the PAP.[353]

2. Analysis and Conclusions

It is correct to view Section 271 entry as Verizon DC's part of the "bargain" for opening its local markets. It is also correct to conclude that PAP payments, which create a very substantial financial exposure for Verizon DC, are a material part of that bargain. Verizon DC – and the other Bell Operating Companies – view PAPs as voluntary commitments,[354] but this argument carries little weight in at least one very important context: *i.e.*, their existence is effectively necessary for securing Section 271 approval.

351 Tr. at p. 45.

352 WorldCom Brief, p. 33.

353 AT&T Post Hearing Brief, p. 53.

354 Verizon DC Post Hearing Brief, p. 55.

Verizon DC's arguments about this Commission's subject matter jurisdiction to impose or revise a PAP on its own authority, whatever their ultimate merits, may be put aside in this context. The Commission has already addressed portions of this argument in a limited context in Order No. 12451, determining that it had the authority to require Verizon DC to make incentive payments under the PAP before the date that Verizon DC proposed.[355] To the extent that Verizon DC continues to make similar arguments, the Commission will address them in the context of its Formal Case No. 990.

The Commission also clarifies that the report correction needs addressed in Formal Case No. 990 are not merely temporary, but apply with equal force to ongoing reports by Verizon DC after Section 271 approval. This Commission views effective post-Section 271 market operation as requiring a continuing obligation to submit accurate reports and to make timely corrections to them when errors are discovered. The question of adding metrics to address this issue, however, is best left to the PAP and Formal Case No. 990 mechanisms that already provide for the consideration of new or changed metrics. That mechanism will best provide for a comprehensive, inclusive, and measured consideration of changes in light of experience gained as operation under the PAP lengthens.

[355] Order No. 12451, ¶ 121-137.

XX. Conclusion

The Commission finds that Verizon DC has satisfied most of the requirements imposed by Sections 271 and 272 of the Telecommunications Act. There exists in the District of Columbia resale, UNE, and facilities-based local competition in the business and residential categories. In addition, Verizon DC has satisfied most of the items in the 14-point checklist. While the Commission does have some concerns, particularly relating to EEL ordering, Verizon DC's continued provision of DSL service to a customer switching to a competitor's voice service, dark fiber ordering and provisioning, directory listing verification, OSS billing, OSS flow-through, and PAP changes, the Commission believes that none of these concerns, or even all of these concerns taken together, constitutes sufficient reason to withhold support for Verizon DC's Section 271 Application. These issues will be addressed by this Commission in existing or new proceedings, where further investigation and fact-finding can be conducted.

However, there is one outstanding issue in Verizon DC's Section 271 Application at this time. This Commission established permanent, TELRIC-based UNE rates in Order No. 12610. Verizon DC has chosen to exercise its legal prerogative in seeking reconsideration of this order, but has not chosen to seek a removal of the statutory automatic stay on the effectiveness of Order No. 12610. Thus, the rates that were in effect before the issuance of Order No. 12610 are now in place in the District of Columbia. Because these rates are not TELRIC-based, they cannot be used to support a Section 271 application. However, Verizon DC has proposed to seek Commission approval of alternative UNE rates, benchmarked to New York UNE rates, in amended interconnection agreements. If Verizon DC were to submit such an amended interconnection agreement, and the Commission were to approve the amended interconnection agreement after a complete review, these actions could permit this Commission to support Verizon DC's Section 271 Application.

Respectfully submitted,

Angel M. Cartagena, Jr. /DSF.

Angel M. Cartagena, Jr.
Chairman

Agnes A. Yates

Agnes A. Yates
Commissioner

Anthony M. Rachal III

Anthony M. Rachal III
Commissioner

Public Service Commission of the District of Columbia
1333 H Street, N.W., Suite 200, West Tower
Washington, D.C. 20005

January 9, 2003

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Attachment 1

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

ORDER

January 6, 2003

FORMAL CASE NO. 962, IN THE MATTER OF THE IMPLEMENTATION OF THE DISTRICT OF COLUMBIA TELECOMMUNICATIONS COMPETITION ACT OF 1996 AND IMPLEMENTATION OF THE TELECOMMUNICATIONS ACT OF 1996; FORMAL CASE NO. 1011 – IN THE MATTER OF VERIZON WASHINGTON DC, INC.'S COMPLIANCE WITH THE CONDITIONS ESTABLISHED IN SECTION 271 OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996, Order No. 12626

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") declares that the only unbundled network element ("UNE") rates Verizon Washington DC, Inc. ("Verizon DC") is authorized to use are those set forth in Commission Order No. 12610.[1] Because Verizon DC has filed a petition for reconsideration of Order No. 12610,[2] implementation of the rates in Order No. 12610 will be stayed and the applicable rates will be those in effect prior to the issuance of that Order. In no event is Verizon DC authorized to use rates established in New York, benchmarked or otherwise.

II. DISCUSSION

2. On December 6, 2002, the Commission released Order No. 12610, establishing UNE and resale discount rates for the District of Columbia. Shortly thereafter, on December 19, 2002, Verizon DC filed its Section 271 application for the District of Columbia, Maryland, and West Virginia with the Federal Communications Commission ("FCC"). In that application, Verizon DC states:

> [t]he District of Columbia PSC has recently completed a pricing proceeding in which it adopted UNE rates that are substantially below the range that a reasonable application of TELRIC principles would produce. Verizon accordingly intends to petition

1 *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996* ("F.C. 962"), Order No. 12610, rel. December 6, 2002.

2 *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996,* Verizon Washington DC, Inc.'s Application for Partial Reconsideration and Clarification of Order No. 12610 ("Verizon DC Reconsideration"), filed January 3, 2003.

> the PSC to reconsider its decision. Pursuant to District of Columbia law, Verizon's petition will trigger a stay of the new rates until the PSC issues a final determination on the petition. While the rates are stayed, Verizon will offer UNE rates in the District that are the lower of the previous rates in effect in the District prior to the PSC's recent decision, or the comparable rates recently adopted in New York, adjusted where possible to account for cost differences between DC and New York. This approach is consistent with Commission precedent and ensures that the rates in effect in the District will be within (or below) the TELRIC range.[3]

3. The majority views this filing as a clear statement of Verizon DC's intent to use New York rates in some circumstances even though the Commission has not approved them. Our colleague apparently reads Verizon DC's filing differently and is of the opinion that it is merely an expression of the company's desire to use the New York rates, not an intent to implement them. Verizon DC subsequently filed a letter with this Commission stating its intent to seek reconsideration of Order No. 12610 and, during the pendency of that appeal, to implement interim UNE rates set at "either the levels in effect prior to December 6, 2002 or at levels benchmarked to the TELRIC-compliant rates in New York – whichever is lower."[4]

4. Contrary to our colleague's opinion, there is nothing remotely speculative about Verizon DC's intentions or the basis for this Order. Verizon DC has made statements before both the FCC and the Commission that express its unequivocal intent to implement New York rates, as it deems appropriate, and there is nothing in either statement that conditions the company's use of those rates on our approval. Under these circumstances, we cannot simply sit mum, as Commissioner Rachal, suggests and, by our silence, inadvertently give the impression that we condone Verizon DC's actions.

[3] *In the Matter of Application of Verizon Maryland, Inc., Verizon Washington DC, Inc., and Verizon West Virginia, Inc., et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Maryland, Washington, D.C., and West Virginia,* Verizon Brief at 47.

[4] *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996; Formal Case No. 1011 – In the Matter of Verizon Washington DC, Inc.'s Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996,* Letter from Marie C. Johns, President, Verizon Washington, DC Inc., to Commissioners Angel M. Cartagena, Jr., Agnes Alexander Yates, and Anthony A. Rachal, filed December 26, 2002. AT&T Communications of Washington D.C., L.L.C. ("AT&T") subsequently filed a letter opposing Verizon DC's statements with this Commission. *See, Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996; Formal Case No. 1011 – In the Matter of Verizon Washington DC, Inc.'s Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996,*Letter to Sanford M. Speight, Acting Commission Secretary from Mark Keffer, Vice President, Law and Government Affairs, AT&T, filed January 2, 2003.

5. Thus, we clarify that Verizon DC has several choices at this juncture. It can: (1) implement the rates approved in Order No. 12610; (2) petition the Commission for new rates; or (3) request that the approved rates not be stayed.[5] Inasmuch as the company has already filed an application for reconsideration, by operation of law, the applicable rates will be the rates that were in effect prior to the issuance of Order No. 12610.[6] However, there is no law, rule, regulation, or policy under which Verizon DC may implement rates of its own choosing without Commission approval.[7]

6. As Verizon DC is aware, the Commission's consultative report, regarding the company's Section 271 application, is due to the FCC on January 9, 2003.[8] Any attempt by Verizon DC to flout an Order of the Commission, either in whole or in part, may constitute sufficient reason to recommend to the FCC that the company's Section 271 application be denied.

THEREFORE, IT IS ORDERED THAT:

7. Verizon DC is prohibited from using New York unbundled network element rates, or any other unbundled network element rates, unless this Commission has approved them.

A TRUE COPY: BY DIRECTION OF THE COMMISSION:

Sanford M. Speight

CHIEF CLERK SANFORD M. SPEIGHT
ACTING COMMISSION SECRETARY

[5] D.C. Code, 2001 Ed. § 34-604(b) governs applications for reconsideration and provides for an automatic stay. Pursuant to this provision, the utility may request that the order not be stayed pending review of the application for reconsideration.

[6] *Id.*

[7] D.C. Code, § 34-601 prohibits a public utility from changing rates without the approval of the Commission.

[8] *See, In the Matter of Application of Verizon Maryland, Inc., Verizon Washington DC, Inc., and Verizon West Virginia, Inc., et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Maryland, Washington, D.C., and West Virginia*, Public Notice, DA 02-3511, rel. December 19, 2002.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

DISSENT OF COMMISSIONER ANYTHONY M. RACHAL III

Order No. 12626

January 6, 2003

FORMAL CASE NO. 962, IN THE MATTER OF THE IMPLEMENTATION OF THE DISTRICT OF COLUMBIA TELECOMMUNICATIONS COMPETITION ACT OF 1996 AND IMPLEMENTATION OF THE TELECOMMUNICATIONS ACT OF 1996; FORMAL CASE NO. 1011 – IN THE MATTER OF VERIZON WASHINGTON DC, INC.'S COMPLIANCE WITH THE CONDITIONS ESTABLISHED IN SECTION 271 OF THE FEDERAL TELECOMMUNICATIONS ACT OF 1996, Order No. 12626

I. BACKGROUND:

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") attempts to clarify a representation made by Verizon Washington DC, Inc. ("Verizon DC") and its parent company, Verizon Communications, Inc. ("Verizon") in Verizon's Section 271 application[1] before the Federal Communications Commission ("FCC").[2] The majority opinion concludes that Verizon cannot use unbundled network element ("UNE") rates based on UNE rates from New York with adjustments for the District of Columbia ("New York adjustments") in lieu of either the rates established in this Commission's Order No. 12610[3] or the rates effective prior to the issuance of that Order, as its UNE rates in its Section 271 application. For the following reasons, I must again dissent in this matter for the reasons set forth below:

[1] Under Section 271 of the Telecommunications Act of 1996, a regional bell operating company ("RBOC") may petition the FCC for permission to provider interLATA telecommunications services in each state. The RBOC will be granted that permission if it satisfies a 14-point checklist to demonstrate that its local exchange market is open to competition.

[2] *In the Matter of Application of Verizon Maryland, Inc., Verizon Washington DC, Inc., and Verizon West Virginia, Inc., et al. Pursuant to Section 271 of the Telecommunications Act of of 1996 to Provide In-Region, InterLATA Services in Maryland, Washington, D.C., and West Virginia,* WC Docket No. 02-384, filed December 19, 2002.

[3] *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996,* Order No. 12610, rel. December 6, 2002.

II. DISCUSSION:

2. This Order is unnecessary in that Verizon-DC's Application for Partial Reconsideration and Clarification of Order No. 12610[4] is pending before this Commission, and the basis for the issuance of this Order is pure speculation until this matter is formally considered by this Commission.

3. This Order has consumed valuable Commission resources and countless hours of staff time during the holiday period that might have been directed to other pending matters before this Commission.

4. This Order reflects badly upon the Commission, which has taken over two years to address this Section Number 271 proceeding, but in a matter of a month since the date of Order No. 12610, can expediently issue an Order to address a matter, which needs no clarification at this time.

5. Moreover, in light of Verizon-DC's Application for Reconsideration, the UNE rates established in Commission Order 12610 will be automatically stayed consistent with Commission regulations,[5] pending the ultimate resolution of this matter.

6. Accordingly, the majority is correct in that this would reinstate the "proxy" UNE rates replaced by Order No. 12610. Verizon-DC has only indicated that it wishes to substitute the new New York rates as adjusted for the District of Columbia factors for the "proxy" UNE rates. This must be done by a request to this Commission. If not agreed to, this Commission can then enforce the utilization of the proper rates, should Verizon-DC proceed without appropriate authority.

7. Clearly, while the matter of permanent UNE rates is pending before this Commission, it is in the best interest of District ratepayers for this Commission to take up Verizon-DC's Application for Reconsideration on an expedited basis, by issuing an appropriate scheduling Order. This Commission should give serious consideration to Verizon-DC's proposal to charge lower interim UNE rates that conform to New York's TELRIC based UNE rates. As acknowledged by the parties, the alternative is to revert back to the higher non-TELRIC based "proxy" UNE rates that were in place in the District of Columbia prior to the issuance of Order No. 12610. This alternative would unnecessarily delay the introduction of lower UNE rates in the District of Columbia, and unduly burden Competitive Local Exchange Carriers and District ratepayers as a whole.

[4] *Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996,* Verizon Washington, D.C. Inc.'s Application for Partial Reconsideration and Clarification of Order No. 12610, ("Verizon-DC's Application for Reconsideration"), filed January 3, 2003.

[5] D.C. Code, 2001 Ed. § 34-604(b).

III. THEREFORE:

8. This Order is premature and inappropriate at this time.

9. For the aforementioned reasons, I must dissent from the majority opinion regarding this matter.

Attachment 2

962-T 691

LEFTWICH & DOUGLAS, P.L.L.C.

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WILLIE L. LEFTWICH, P.C.
RETIRED

January 7, 2003

03 JAN -7 PM 5:27

BY HAND

Sanford M. Speight, Esquire
Acting Secretary
The Public Service Commission
of the District of Columbia
1333 H Street, N.W.
Second Floor, West Wing
Washington, D.C. 20005

Re: Formal Case No. 962 – Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626

Dear Mr. Speight:

Enclosed for filing are the original and fifteen (15) copies of Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626.

If you have any questions regarding this filing, please call me.

Respectfully,

Natalie O. Ludaway

Natalie O. Ludaway

Enclosure

cc: See Service List

962-T 691

BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF THE IMPLEMENTATION OF THE DISTRICT OF COLUMBIA TELECOMMUNCIATIONS COMPETITION ACT OF 1996 AND IMPLEMENTATION OF THE TELECOMMUNCIATIONS ACT OF 1996	)))))	Formal Case No. 962 and Formal Case No. 1011

03 JAN -7 PM 5:27

VERIZON WASHINGTON, D.C. INC.'S RESPONSE IN COMPLIANCE WITH ORDER NO. 12626

On January 6, 2003, the Public Service Commission for the District of Columbia ("Commission") issued Order No. 12626 which ordered that "Verizon DC is prohibited from using New York unbundled network element rates, or any other unbundled network element rates, unless this Commission has approved them."[1] Verizon DC wants to assure the Commission that it did not intend to charge any unbundled network element ("UNE") rates without the Commission's approval. Instead, any change in those rates proposed by Verizon DC would have to be accepted by a CLEC and incorporated into an interconnection agreement subject to the approval of the Commission.

Verizon DC regrets any confusion it may have caused about this process and therefore sets forth the following steps it has taken and will take to ensure that the Commission has the opportunity to approve any rates charged in the interim during the period the Commission's December 6, 2002, Order No. 12610 in Case 962 ("*Final Order*") is stayed:[2]

[1] *See* Order No. 12626 at ¶ 7.

[2] The *Final Order* is currently stayed by operation of law. Verizon DC filed its application for reconsideration on January 3, 2003. Under District law, that filing automatically stayed the *Final Order*. *See* D.C. Code § 34-604 (b).

1. On December 18, 2002, Verizon DC sent to all CLECs operating in the District the letter and proposed UNE Pricing List set forth in Attachment A.[3] The December 18 CLEC Letter is an offer from Verizon DC to CLECs to amend existing CLEC interconnection agreements, pursuant to Section 252(a)(1) of the federal Telecommunications Act of 1996, which explicitly authorizes Verizon DC and CLECs to voluntarily enter into binding interconnection agreements, "which shall include a detailed schedule of itemized charges for interconnection and each service or network element." Section 252(a)(1) also provides that any such voluntary agreement shall be "submitted to the State commission" for review and approval.

2. The offer in the December 18 CLEC Letter is explicitly limited to "any period starting on or after December 6, 2002, during which the rates in Order No. 12610 are not effective because that Order has been stayed." The December 18 CLEC Letter also states that the offered interim stay rates will be replaced by final approved rates when the stay ends: "Upon termination of any such stay, the rates from Order No. 12610, or such other rates as might be ordered by the PSC or a reviewing court, shall go into effect."

3. The December 18 CLEC Letter provides a mechanism for CLECs to accept the offered interim rates for application during a stay of the *Final Order*. For the convenience of the CLECs, they may signify their acceptance of Verizon DC's Section 252 offer by "payment of your first invoice in which Verizon has applied the new rates to a period covered in whole or in part by a stay of Order No. 12610." If a CLEC chooses instead to reject Verizon DC's offer, it will contact Verizon DC, instead of paying the invoice with the interim stay rates on it. It is unlikely that a CLEC will reject the offer, since the offer reduces many rates from what would otherwise be in effect during the stay, and increases no rates.

4. When a CLEC accepts the Section 252 voluntary agreement offer in the December 18 CLEC Letter, that will "result in [the interim stay rates] being incorporated into your interconnection agreement *subject to Commission approval* for the duration of any stays(s) of Order No. 12610." December 18 CLEC Letter (emphasis added). Thus the interim stay rates are not finally incorporated into a CLEC's agreement until approved by the Commission.

[3] *See* Verizon DC letter to CLECs with UNE Pricing List, Dec. 18, 2002 (Attachment A) ("December 18 CLEC Letter").

5. The resulting interconnection agreement amendments will be filed with the Commission for its normal Section 252 review and approval, as required by Section 252(a)(1), (e)(1), and (e)(2)(A), and the Commission's rules for filing and review of interconnection agreements, 15 DCMR §§ 2600-2603 *et seq.* (2001). Upon Commission approval, the interim stay rate amendments will become binding on the parties.

Accordingly, by following the steps outlined above, Verizon DC is in compliance with the requirement of Order No. 12626 that no new rates go into effect "unless this Commission has approved them." When these voluntary interconnection agreement amendments are filed with the Commission for review under Section 252(e), the Commission should approve them because they are in the public interest.

In the absence of interim stay rates, like those offered in the December 18 CLEC Letter, the stay of the *Final Order* would put back into effect for the duration of the stay the "proxy" UNE rates used in the District before the *Final Order*. Neither the Commission nor the FCC has ever found these prior "proxy" rates to comply with TELRIC.

By contrast, the interim stay rates offered in the December 18 CLEC Letter do comply with TELRIC – because they are set to "benchmark" to FCC-approved New York TELRIC rates, unless a lower rate was available from the District's prior "proxy" rates. The interim stay rates in the December 18 CLEC Letter were chosen by selecting for each UNE rate, the *lower* of (1) the "proxy" rate that was in effect in the District before the *Final Order*, or (2) the equivalent UNE rate in New York, adjusted wherever possible to reflect cost differences between the District and New York, using the FCC's "benchmarking" process. Thus, none of the offered interim stay rates are higher than the prior "proxy" rates, and the only "proxy" rates that remain are those that are equal to *or lower than* a rate benchmarked to the New York UNE rates.

Use of "benchmarked" rates for this purpose is appropriate because the FCC has repeatedly approved the use of rates "benchmarked" to the New York rates as appropriate TELRIC-compliant rates in other jurisdictions.[4] The FCC's benchmark process starts with approved TELRIC-compliant New York rates, but adjusts them to reflect cost differences between the jurisdictions, as reflected in the FCC's Synthesis Cost Model.[5] As indicated, this process is not unique to the District and has been used in a number of other states.

Verizon DC's use of "benchmarked" TELRIC rates as interim stay rates is also consistent with the Commission's conclusion that Verizon DC has met the requirements of Section 271 of the federal Telecommunications Act of 1996, and that the Commission supports Verizon DC's application to provide long distance service to residents of the District.[6] TELRIC-compliant rates are required for a successful Section 271 application at the FCC – even in the interim while the rates set in the *Final Order* are stayed. But the prior "proxy" rates have not been found to comply with TELRIC, and therefore must be adjusted to ensure that they pass the FCC's benchmark test, as Verizon DC has done in the interim stay rates it has offered to the CLECs. Therefore, the rates offered in the

[4] *See Virginia § 271 Order* ¶¶ 124, 126-129 ("Verizon's use of [benchmarked rates from New York] produced rates that are within the range that a reasonable application of TELRIC principles would produce."); *see also Arkansas/Missouri § 271 Order* ¶ 75; *Rhode Island § 271 Order* ¶ 55; *Massachusetts § 271 Order* ¶¶ 22-25.

[5] *See Virginia § 271 Order* ¶¶ 91-92.

[6] *See In the Matter of Verizon Washington, DC Inc.'s Compliance with the Conditions Established in Section 271 of the Federal Telecommunications Act of 1996,* Letter from the District of Columbia Public Service Commission to the Federal Communications Commission, dated Dec. 19, 2002.

WHEREFORE, Verizon DC respectfully submits this response in compliance with Order No. 12626.

Respectfully submitted,

VERIZON WASHINGTON, DC INC.

David A Hill, /noa

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January 7, 2003

CERTIFICATE OF SERVICE

I certify that on this 7 day of January, 2003, copies of Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626 were hand delivered to those indicated by [*] and mailed first class, postage prepaid, to all parties as indicated below.

Natalie O Ludaway
Natalie O. Ludaway

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ATTACHMENT A

December 18, 2002

Subject: VERIZON WASHINGTON, DC: UNE Rates for Existing Interconnection Agreements

To: UNE CLEC Customers - Verizon Washington, DC

On December 6, 2002, the Public Service Commission of the District of Columbia issued Order No. 12610 in Formal Case No. 962, which ordered new rates for UNE products and services in Washington, D.C., effective immediately. Order No. 12610 is potentially subject to motions for reconsideration and/or judicial review, either of which might result in a stay of that Order for some period of time pending completion of reconsideration and/or review. In the event of such a stay, Verizon will offer revised rates.

A complete list of UNE products and services, and the associated revised rates, are provided in the Pricing List attached to this letter. An asterisk (*) identifies the rates that differ from those in effect before December 6, 2002. The rates in the attached Pricing List will become effective for any period starting on or after December 6, 2002, during which the rates in Order No. 12610 are not effective because that Order has been stayed. Upon termination of any such stay, the rates from Order No. 12610, or such other rates as might be ordered by the PSC or a reviewing court, shall go into effect.

Following your receipt of this notification, your payment of your first invoice in which Verizon has applied the new rates to a period covered in whole or in part by a stay of Order No. 12610 will signify your acceptance of these rates and will result in them being incorporated into your interconnection agreement subject to Commission approval for the duration of any stay(s) of Order No. 12610.

It is possible that the new UNE Pricing List will contain rates and/or charges for UNE products/services to which you are not entitled under the terms of your specific interconnection agreement with Verizon. The existence of such rates and/or prices in the new UNE Pricing List shall not be construed as an agreement by Verizon to provide you with any UNE other than those expressly provided for by the terms of your agreement. If your agreement with Verizon does not include terms providing a specific UNE product or service that Verizon is required by applicable law to provide you, you may contact your Verizon Account Manager to arrange for an appropriate amendment to your agreement.

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates in Event of Stay of PSC 12/06 Order
UNBUNDLED LOOP - per month	
2 Wire Basic Loop	$ 8.49
Off-Premise Extension (same as 2 Wire Loop)	$ 8.49
2 Wire Customer Specified Signalling Loop	$ 10.52
4 Wire/4 Wire Customer Specified Signalling Loop	$ 19.97
ISDN-BRI Loop	$ 12.36
Digital 4 Wire (56KD/64KD) Loop	$ 19.97
DS1/ISDN-PRI Loop	$ 72.65
DS3 Loop	$ 593.30
UNBUNDLED SUBLOOP ARRANGEMENTS - per month	
Subloop - Distribution	
2 Wire	$ 3.87
4 Wire	$ 6.36
Subloop - Feeder	
2 Wire	$ 6.22
ISDN (2 Wire Digital)	$ 9.53
4 Wire	$ 16.34
DDS (4 Wire Digital)	$ 16.34
DS1	$ 69.95
DS3	$ 438.22
UNBUNDLED NETWORK INTERFACE DEVICE (NID)	
NID to NID Connection (per NID)	
2 Wire	$ 1.01
4 Wire	$ 1.01
UNE Shared NID (per line)	$ 0.39
Standalone NID (per NID)	
2 Wire	$ 1.01
4 Wire	$ 1.01
DS1	$ 4.49
Unbundled xDSL Conditioning & Qualification	
Mechanized Loop Qualification	$ 0.49
Wideband Test Access	$ 1.72
Non-Recurring	
Addition of Loop Electronics - Normal	$ 938.26
Addition of Loop Electronics - Expedite	$ 946.08
Unbundled EEL Testing	
2 Wire Analog Test Charge	$ 0 43
2 Wire Digital Test Charge	$ 0.66
4 Wire Analog Test Charge	$ 1.08
DS1 (1.544 mbps) Test Charge	$ 4.17
Digital 4 Wire (56 or 64 kbps) Test Charge	$ 1.08
House and Riser	
Cable Investment per floor	$ 0.01
Building Access per pair	$ 0.58
Non-Recurring	
50 Pair Terminal Charge	$ 262.00

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS		DC Rates In Event of Stay of PSC 12/06 Order
Unbundled EEL IOF		
Voice Grade Fixed includes both ends	$	28.08
Voice Grade per Mile	$	0.02
Line Sharing/Line Splitting		
Admin & Support		
Option A	$	36.17
Option C	$	36.17
Non-Recurring		
Splitter Installation	$	1,287.36
Splitter Equipment - Option C only	$	4.78
Line Sharing and Line Splitting - OSS	$	-
(Line Sharing & Subloop OSS)	$	-
Unbundled Individual Line Port Features		
Res/Bus Features		
Three Way Calling		
Return Call		
Calling Number Delivery		
Calling Name and Number Delivery		
Anonymous Call Rejection		
Call Waiting Display (Name and Number)		
Remote Call Forwarding		
Repeat Call		
Call Waiting		
PBX per MOU	$	0.003752
Multi-Line Hunting per MOU	$	0.000002
Centrex Features		
Ctx Three-Way Calling		
Ctx Six-Way Conference		
Ctx SMDR to Premise		
Ctx Repeat Call		
Ctx Distinctive Ringing		
Centrex Intercom		
Ctx Loudspeaker Paging		
Ctx Meet Me Conference		
Ctx Announcement		
Call Transfer-All Calls		
Call Waiting Terminating (All Calls)		
Directed Call Pickup with Barge-In (Originating)		
Executive Busy Override		
Ctx Automatic Recall (Return Call)		
UCD per MOU	$	0.000005
Hunting per MOU	$	0.000004
Queuing per MOU	$	0.000968
Intercom & Features per MOU	$	0.032910
Attendant per MOU	$	0.034952
Attendant Console per MOU	$	0.036556
Centralized Attendant Services per MOU	$	0.353835
Attendant Access Code Dialing per MOU	$	0.075992

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates in Event of Stay of PSC 12/06 Order	
Automatic Route Selection per MOU	$	0.000838
Electronic Tandem Switching per MOU	$	0.001947
ISDN Features		
ISDN Intercom		
ISDN Announcement		
ISDN Six-Way Conference		
ISDN Three-Way Calling		
ISDN Call Pickup		
ISDN Selective Call Rejection		
Calling Name and Number Delivery		
ISDN Call Transfer Individual - All Calls (Ftr. 578)		
ISDN Centrex Features	$	0.010160
Unbundled Line Ports - per month		
POTS/PBX/CTX/UPALP Port (NY UNE-P associated rate)	$	1.55
ISDN PRI Port	$	161.19
ISDN Single line BRI or ISDN Centrex Port	$	7.58
Direct Inward Dialing (DID) Port	$	3.50
Automatic Identified Outward Dialing (AIOD) Port	$	3.50
Unbundled Coin Port (UCP)	$	2.62
Simplified Message Desk Interface (SMDI) Port	$	267.34
Switched DS1 Port	$	139.26
IDLC Port	$	335.54
Unbundled Trunk Ports		
Dedicated Trunk Port - End Office (per month)	$	67.96
Dedicated Trunk Port - Tandem (per month)	$	67.96
Dedicated Trunk Port -TOPS (per month)	$	34.56
Common Trunk Port - End Office (per mou)	**incl. in**	
Common Trunk Port - Tandem (per mou)	**switching**	
Common Trunk Port - TOPS (per mou)	**rates**	
Unbundled Switching - Per MOU		
Originating EO Local Switching per MOU	$	0.003000
Terminating EO Local Switching per MOU	$	0.003000
ISDN Originating Digital Switched Voice per MOU	$	0.005758
ISDN Terminating Digital Switched Voice per MOU	$	0.002669
ISDN Orignating Digital Circuit Switched Data per MOU	$	0.003203
ISDN Terminating Digital Circuit Switched Data per MOU	$	0.002669
Unbundled Tandem Switching		
Tandem Switching MOU	$	0.002532
Common Transport - per MOU		
Fixed	$	0.000405
Per Mile	$	0.000005
Recip Comp		
Terminating End Office Switch Usage (per MOU)	$	0.003000
Terminating Tandem Switch Usage (per MOU)	$	0.005000

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS		DC Rates in Event of Stay of PSC 12/06 Order
Unbundled Dedicated Transport - per Month		
Entrance Facilities (For NY, add 4 quarter mile charges to the fixed rt)		
DS-1 Entrance Facility	$	102.75
DS-3 Entrance Facility	$	827.27
STS-1 Entrance Facility	$	278.83
OC-3 Entrance Facility	$	903.43
OC-12 Entrance Facility	$	2,749.84
Interoffice Facilities (IOF)		
DS-3 Fixed includes both ends	$	711.09
DS-3 per Mile	$	15.21
DS-1 Fixed includes both ends	$	54.00
DS-1 per Mile	$	2.05
OC-3 - Fixed includes both ends	$	2,061.50
OC-3 - per mile	$	31.45
OC-12 - Fixed includes both ends	$	3,333.63
OC-12 - per mile	$	89.82
STS-1 - Fixed includes both ends	$	674.62
STS-1 - per mile	$	10.42
STP Port Termination (Monthly)	$	305.88
SS7 Link (per mile)	$	0.08
Unbundled Signalling Databases		
800 Database		
basic query	$	0.000133
vertical query	$	0.000540
LIDB (Per Query)		
Calling Card	$	0.000094
Billed Number Screening	$	0.000094
DARK FIBER - IOF		
Verizon CO to Verizon CO		
Serving Wire Center Charge/SWC/Pair	$	8.01
Per Mile	$	118.51
Verizon CO to CLEC CO		
Serving Wire Center Charge/SWC/Pair	$	8.01
Channel Termination Charge/CLEC CO	$	60.31
DARK FIBER - LOOP		
Serving Wire Center Charge/SWC/Pair	$	8.01
Loop Charge/Pair	$	60.31
Customized Routing (per line per month)	$	0.00235
Daily Usage File		
Per Record Recorded		0.0002810
Per Record Transmitted	$	0.000101
Per Media (Tape or Cartridge)	$	20.32
SMS Pricing (AIN Service Creation)		
Service Creation Usage		

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Remote Access per 24 Hr. day	$ 727.83
On Premise per 24 Hr. day	$ 727.83
Certification and Testing per Hour	$ 70.12
Help Desk Support per Hour	$ 72.96
Service Charges	
Subscription Charges	$ 0.22
Database Queries	
Network Query	$ 0.000954
CLEC Network Query	$ 0.000954
CLEC Switch Query	$ 0.000954
Utilization Element	
Service Modification	
DTMF Update Per Change	$ 0.15000
Service Order Input	
Switched Based Announcement	
Developmental Charges	
Service Creation Access Ports per month	$ 134.47
Operations Support Systems (per month/per line)	
Ongoing and Recovery of one time expense (during 10 yr. Period)	$ -
Ongoing only (after 10 yr. Period)	$ -

District of Columbia
Recurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates in Event of Stay of PSC 12/06 Order

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Unbundled Loops	
2W Analog Loop	
Service Order	5.00
Installation w/o Visit - Initial	14.00
Installation w/Visit - Initial	28.00
Installation w/o Visit- Add'l	14.00
Installation w/Visit- Add'l	28.00
4W Analog Loop	
Service Order	5.00
Installation w/o Visit - Initial	14.00
Installation w/Visit - Initial	28.00
Installation w/o Visit- Add'l	14.00
Installation w/Visit- Add'l	28.00
2W Customer Specified Signaling Loop	
Service Order	5.00
Installation w/o Visit - Initial	14.00
Installation w/Visit - Initial	28.00
Installation w/o Visit- Add'l	14.00
Installation w/Visit- Add'l	28.00
4W - Customer Specified Signaling Loop	
Service Order	5.00
Installation w/o Visit - Initial	14.00
Installation w/Visit - Initial	28.00
Installation w/o Visit- Add'l	14.00
Installation w/Visit- Add'l	28.00
ISDN BRI Loop	
Service Order	9.01
Installation w/o Visit - Initial	19.99
Installation w/Visit - Initial	101.79
Installation w/o Visit- Add'l	19.75
Installation w/Visit- Add'l	43.11
DS-1 Loop	
Service Order	9.01
Installation w/o Visit - Initial	40.27
Installation w/Visit - Initial	157.27
Installation w/o Visit- Add'l	23.53
Installation w/Visit- Add'l	98.59
DS3 Loop	
Service Order	45.98
Installation w/o Visit - Initial	158.27
Installation w/Visit - Initial	352.55

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Installation w/o Visit- Add'l	158.27
Installation w/Visit- Add'l	282.75
DDS/ 4W 56 KD Loop	
Service Order	9.01
Installation w/o Visit - Initial	40.27
Installation w/Visit - Initial	154.33
Installation w/o Visit- Add'l	23.53
Installation w/Visit- Add'l	62.28
Manual Surcharge	18.00
EXPEDITE	
Expedited Install w/o Visit - Initial	57.60
Expedited Install w/Visit - Initial	174.78
Expedited Manual Surcharge	22.23
2W ADSL Loop	
Service Order	10.94
Installation w/o Visit - Initial	19.99
Installation w/Visit - Initial	101.79
Installation w/o Visit- Add'l	16.51
Installation w/Visit- Add'l	43.11
4W xDSL Loop, 2W HDSL Loop	
Service Order	10.94
Installation w/o Visit - Initial	39.73
Installation w/Visit - Initial	153.79
Installation w/o Visit- Add'l	16.51
Installation w/Visit- Add'l	55.26
Distribution Two Wire Subloop	
Service Order	8.98
Installation - Prem Visit No-Initial & addl	
Installation - Prem Visit Yes - Initial	
Installation - Prem Visit Yes - Additional	
Installation - Initial	88.36
Installation w/o Prem Visit - Initial	
Installation - Addl	32.01
Installation w/o Prem Visit - Add'l	
Manual Surcharge	18.00
EXPEDITE	
Service Order -Expedite	11.42
Installation - Initial	124.48
Installation - Addl	45.11
Manual Surcharge	22.23
2Wire Subloop - Loop Through Conversion	
Service Order	8.98
Installation - Initial	202.11

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Installation - Addl	121.05
Manual Surcharge	18.00
EXPEDITE	
Service Order	11.42
Installation - Initial	292.74
Installation - Addl	176.55
Manual Surcharge	22.23
Distribution Four Wire Subloop	
Service Order	8.98
Installation - Prem Visit No-Initial	
Installation - Prem Visit No - Additional	
Installation - Prem Visit Yes - Initial	
Installation- Prem Visit Yes - Additional	
Installation - Initial	105.78
Installation w/o Prem Visit - Initial	
Installation - Addl	55.30
Installation w/o Prem Visit - Add'l	
Manual Surcharge	18.00
EXPEDITE	
Service Order -Expedite	11.42
Installation - Initial	149.01
Installation - Addl	77.91
Manual Surcharge	22.23
4Wire Subloop - Loop Through Conversion	
Service Order	8.98
Installation - Initial	204.94
Installation - Addl	133.64
Manual Surcharge	18.00
EXPEDITE	
Service Order	11.42
Installation - Initial	296.77
Installation - Addl	195.34
Manual Surcharge	22.23
Feeder DS1 Subloop	
Service Order	9.01
Installation - Initial/Migration	188.26
Intallation w/o Prem Visit - Initial	40.27
Installation - Additional	101.72
Feeder DS3 Subloop	
Service Order	61.63
Installation	204.56
Signaling and Databases	

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
STP Port	
Service Order	9.01
Per Port - Installation	113.93
SS7 Link	
Service Order	25.37
Installation	134.27
SS7 Non-recurring Charges	
Rehome D-Link	233.01
A-Link to D-Link Converstion	174.76
Change in Hub Provider	116.51
STP Translations NRCs	
A-Link Basic Setup	72.09
A-Link ISUP/TCAP	59.13
A-Link Queries/CLASS/CNAM	64.81
A-Link CLEC to CLEC Access	59.13
D-Link Basic Setup	44.27
D-Link ISUP/TCAP	44.27
D-Link Queries/CLASS/CNAM	51.55
D-Link CLEC to CLEC Access	44.27
Subsequent Connect to same STP Pair	58.25
NPA/NXX CLASS Feature Input	29.13
End Office Translations - CLASS Features	9.90
SS7 Testing	
Setup for MTP Lvls 2 & 3	543.70
Setup for ISUP	543.70
Setup for Queries/CLASS/CNAM	67.96
Certification for MTP Lvls 2 & 3	849.20
Certification for ISUP	1,273.81
Certification for 800 DB Queries	106.15
Certificat'n for LIDB/CLASS/CNAM	53.08
LIDB Validation	
Data Storage - Service Establishment (NRC)	1,595.83
AIN Service Creation (Access to SMS)	
Development Charges	
Service Order	9.01
Service Establishment	773.56
Service Creation Access Port	134.47
Service Creation Usage	
Remote Access per Day	727.83
On-Premise per Day	727.83

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Certification & Testing per hour	83.57
Help Desk Support per hour	88.44
Service Charges	
Subscription Charge per month	2.55
Network Query	0.0012
CLEC Network Query	0.0012
CLEC Switch Query	0.0012
Trigger Charge	
Line Based	0.0007
Office Based	0.0007
Utilization Element	0.0005
Network Service Activation	15.08
CLEC Network Service Activation	15.08
CLEC Switch Service Activation	15.08
Service Modification - DTMF Update	0.15
Switch Based Announcement	0.0068
Ports	
POTS/PBX/Centrex Ports	
Service Order	5.00
Installation - Initial	10.63
Installation - Add'l	10.63
ISDN (PRI) Ports	
Service Order	31.98
Port Installation	
Installation - Initial	130.17
Installation - Add'l	130.17
ISDN (BRI) Ports	
Service Order	9.01
Installation - Initial	19.99
Installation - Add'l	19.99
DID Ports	
Service Order	25.37
Installation - Initial	714.24
IDLC /TR008 Port	
-Service Order	9.01
-Installation	500.57
Switched DS1 Port	
-Service Order	61.63
-Installation - Initial	458.36
-Installation -Additional	458.36

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
SMDI Port	
Port Installation	
-Service Order	9.01
-Installation	435.16
Unbundled Coin Port	
-Service Order	9.01
Installation	10.63
Installation - Addl	10.63
Unbundled Public Access Line Port	
-Service Order	9.01
Installation	10.63
Installation - Addl	10.63
POTS Features	
Service Order	9.01
Installation	-
Centrex Features-MOU	
Service Order	9.01
Installation	-
ISDN Centrex Feature - MOU	
Service Order	9.01
Installation	-
Line Port Traffic Study	
Setup	21.15
Per Week	9.15
Trunk Ports	
Dedicated Trunk Port - End Office	
Service Order	9.01
Installation - Initial	557.39
Installation - Addl	557.39
Dedicated Trunk Port - Tandem	
Service Order	9.01
Installation - Initial	493.96
Installation - Addl	493.96
Dedicated Trunk Port - TOPS	
Service Order	9.01
Installation - Initial	601.23
Installation - Addl	601.23

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
IOF	
IOF DS1	
Service Order	-
Installation - Initial Facility	-
Installation - Addl Facility	-
IOF DS3	
Service Order	-
Installation - Initial Facility	-
Installation - Addl Facility	-
IOF STS-1	
Service Order	61.63
Installation	196.60
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation	280.07
Manual Surcharge	9.83
IOF OC3	
Service Order	61.63
Installation	236.66
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation	337.61
Manual Surcharge	9.83
IOF OC12	
Service Order	61.63
Installation	236.66
Installation - Initial	
Installation - Addl	
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation	337.61
Manual Surcharge	9.83
Entrance Facilities	
DS1 Channel Term/Entrance Facility	
Service Order	61.63
Installation - Initial	144.10
Installation - Addl	144.10

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
DS3 Channel Term/Entrance Facility	
Service Order	61.63
Installation - Initial	1.00
Installation - Addl	1.00
Entrance Facilites STS-1 -recurring (Fixed)	
Service Order	61.63
Installation - W/Visit	349.38
Installation - Wout/Visit	198.10
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation w/Visit	491.59
Installation wout/Visit	280.07
Manual Surcharge	7.95
Entrance Facilities OC3-recurring (Fixed)	
Service Order	61.63
Installation - W/Visit	349.38
Installation - Wout/Visit	198.10
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation -W/Visit	491.59
Installation -Wout/Visit	280.07
Manual Surcharge	7.95
Entrance Facilities OC12-recurring (Fixed)	
Service Order	61.63
Installation - W/Visit	349.38
Installation - Wout visit	198.10
Manual Surcharge	7.95
EXPEDITE	
Service Order	95.67
Installation W/Visit	282.29
Installation w/out Visit	280.07
Manual Surcharge	7.95
XDSL Loop Qualification & Conditioning	
Manual Loop Qualification	95.52
Engineering Query	137.52
Engineering Work Order	658.63
Bridge Tap Removal - One Occurrence	282.60
Bridge Tap Removal - Multiple Occurrence	688.26
Load Coil Removal - 21K Ft	1,253.83

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Load Coil Removal - 27K Ft	1,667.63
Cooperative Testing	34.92
Line Sharing	
CONNECT	
Service Order	9.01
Installation - Initial w/Visit	153.78
Installation - Initial wout/Visit	39.72
Installation - Addl w/Visit	133.81
Installation - Addl wout/Visit	19.75
Manual Surcharge	26.56
EXPEDITE	
Service Order	13.99
Installation - Initial w/Visit	230.72
Installation - Initial wout/Visit	56.82
Installation - Addl w/Visit	200.87
Installation - Addl wout/Visit	28.25
Manual Surcharge	41.23
DARK FIBER	
Dark Fiber Loop	
Service Order	61.63
SWC Charge per pair (NRC)	37.20
Loop Charge (NRC)	156.79
Expedited Handling Charge	313.10
Record Review Charge (per pair)	156.82
Dark Fiber IOF	
Verizon CO to Verizon CO	
Service Order	61.63
SWC Installation Charge	37.68
IOF Mileage Installation Charge	190.92
EXPEDITE - Handling Charge	122.66
Verizon CO to CLEC Co	
Service Order	63.21
SWC Installation Charge	37.68
Channel Term Installation Charge	366.91
EXPEDITE - Handling Charge	180.69
Dark Fiber Records Review	156.82
Dark Fiber T&M Charges	
Facilities Management Center- Planning/per hour	59.09
Facilities Management Center- Design/per hour	59.28

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
OSP Operations/splicing- NTE Technician/per hour	41.79
CO Frame - CO Technician/per hour	41.27
EEL - Voice Grade (DS0)	
Service Order	61.63
Installation	134.27
Manual Surcharge	7.95
EXPEDITE	
Service Order	78.08
Installation	197.12
Manual Surcharge	9.83
Standalone NID	
Service Order	9.01
Installation -Time and Material- Labor Chg.	53.07
Installation - Add'l 15 min.	9.53
Field Dispatch	55.67
Manual Surcharge	18.00
EXPEDITE	
Service Order	11.42
Installation - T&M - First 30 min	74.75
Installation - T&M - Add'l 15 min	13.43
Field Dispatch	77.02
Manual Surcharge	22.23
Daily Usage File	
Data Tape - per tape	
per Programming hour	66.66
CMDS - per message	
per Programming hour	66.66
DUF Transport	
9.6 kb Port - per month	
per Port NRC	8,552.71
56 kb Port - per month	
per Port NRC	35,394.48
256 kb Port - per month	
per Port NRC	58,920.86
T1 Port - per month	
per Port NRC	210,246.64
Line Installation - per programming hour	66.66
Port set up	10.70
Network Control Programming Coding - per hour	66.66
PLATFORMS	

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
POTS/Centrex/ISDN-BRI /ISDN-BRI Centrex/Coin/Public Access Platform New Initial	
Service Order	0.97
Installation - w/o Visit - Initial	9.70
Installation w/Visit - Initial	123.76
Manual Surcharge	11.31
EXPEDITE	
Service Order	1.22
Installation w/out visit - Initial	13.59
Installation with visit - Initial	174.14
Manual Surcharge	13.98
POTS/Centrex/ISDN-BRI /ISDN-BRI Centrex/Coin/Public Access Platform New Additional	
Installation without visit	9.49
Installation with visit	48.24
EXPEDITE	
Installation without visit	13.29
Installation with visit	67.86
POTS/Centrex/ISDN-BRI /ISDN-BRI Centrex/Coin/Public Access Platform Migration - Initial	
Service Order	0.97
Field Installation	
Installation without visit	1.18
Installation with visit	115.24
Manual Surcharge	11.31
EXPEDITE	
Service Order	1.22
Installation without visit	1.66
Installation with visit	162.21
Manual Surcharge	13.98
POTS/Centrex/ISDN-BRI /ISDN-BRI Centrex/Coin/Public Access Platform Migration - Addl	
Installation without visit	1.13
Installation with visit	39.88
EXPEDITE	
Installation without visit	1.60
Installation with visit	56.17
ISDN-PRI, DS1 DID/DOD/PBX PLATFORM - New - Initial	
Service Order	9.24
Installation - w/o Visit - Initial	337.74
Installation w/Visit - Initial	489.02

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Manual Surcharge	11.31
EXPEDITE	
Service Order	11.42
Installation - w/o Visit - Initial	488.41
Installation w/Visit - Initial	697.71
Manual Surcharge	13.98
ISDN-PRI, DS1 DID/DOD/PBX PLATFORM - New - Addl	
Installation without visit	328.62
Installation with visit	410.95
EXPEDITE	
Installation without visit	475.72
Installation with visit	589.63
ISDN-PRI, DS1 DID/DOD/PBX PLATFORM - Migration - Initial	
Service Order	0.99
Installation without visit	4.90
Installation with visit	120.74
Manual Surcharge	11.31
EXPEDITE	
Service Order	1.22
Installation without visit	6.97
Installation with visit	167.24
Manual Surcharge	13.98
ISDN-PRI, DS1 DID/DOD/PBX PLATFORM - Migration - Addl	
Installation without visit	4.74
Installation with visit	42.95
EXPEDITE	
Installation without visit	6.74
Installation with visit	59.61
ANALOG/POTS FX, ISDN-BRI FX PLATFORM - New - Initial	
Service Order	63.21
Installation - w/o Visit - Initial	216.65
Installation w/Visit - Initial	332.49
Manual Surcharge	11.31
EXPEDITE	
Service Order	78.08
Installation - w/o Visit - Initial	307.57
Installation w/Visit - Initial	467.84
Manual Surcharge	13.98
ANALOG/POTS FX, ISDN-BRI FX PLATFORM - New - Addl	
Installation without visit	204.49
Installation with visit	242.70

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
EXPEDITE	
Installation without visit	290.52
Installation with visit	343.39
ANALOG/POTS FX, ISDN-BRI FX PLATFORM - Migration - Initial	
Service Order	0.99
Installation without visit	4.90
Installation with visit	120.74
Manual Surcharge	11.31
EXPEDITE	
Service Order	1.22
Installation without visit	6.97
Installation with visit	167.24
Manual Surcharge	13.98
ANALOG/POTS FX, ISDN-BRI FX PLATFORM - Migration - Addl	
Installation without visit	4.74
Installation with visit	42.95
EXPEDITE	
Installation without visit	6.74
Installation with visit	59.61
ISDN-PRI FX, DS1 DID/DOD/PBX FX PLATFORM - New - Initial	
Service Order	63.21
Installation - w/o Visit - Initial	507.92
Installation w/Visit - Initial	659.20
Manual Surcharge	11.31
EXPEDITE	
Service Order	78.08
Installation - w/o Visit - Initial	730.56
Installation w/Visit - Initial	939.86
Manual Surcharge	13.98
ISDN-PRI FX, DS1 DID/DOD/PBX FX PLATFORM - New - Addl	
Installation without visit	498.80
Installation with visit	581.13
EXPEDITE	
Installation without visit	717.88
Installation with visit	831.79
ISDN-PRI FX, DS1 DID/DOD/PBX FX PLATFORM - Migration - Initial	
Service Order	0.99
Installation without visit	4.90

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Installation with visit	120.74
Manual Surcharge	11.31
EXPEDITE	
Service Order	1.22
Installation without visit	6.97
Installation with visit	167.24
Manual Surcharge	13.98
ISDN-PRI FX, DID/DOD/PBX FX DS1 PLATFORM - Migration - Addl	
Installation without visit	4.74
Installation with visit	42.95
EXPEDITE	
Installation without visit	6.74
Installation with visit	59.61
HOT CUTS	
2W Hotcut Loop	
Service Order	5.00
Installation w/o Prem Visit - Initial	14.00
Installation w/Prem Visit - Initial	28.00
Installation w/o Prem Visit - Add'l	14.00
Installation w/Prem Visit - Add'l	28.00
Line Port Hotcut	
Service Order	5.00
Installation - Initial	10.63
4W Hotcut Loop	
Service Order	5.00
Installation w/o Prem Visit - Initial	14.00
Installation w/Prem Visit - Initial	28.00
Installation w/o Prem Visit - Add'l	14.00
Installation w/Prem Visit - Add'l	28.00
Query Back	14.46
TC Not Ready	73.10
Expedite	108.39
Misdirect In	43.55
Expedite	59.80
Misdirect Out	116.74

District of Columbia
Nonrecurring UNE Rates

UNBUNDLED NETWORK ELEMENTS	DC Rates In Event of Stay of PSC 12/06 Order
Expedite	148.02

District Of Columbia
Collocation Rates

UNE/RATE ELEMENT	Recurring Rate	Nonrecurring Rate
COLLOCATION		
Physical Collocation		
Application Fees		
Initial - per request		5000.00
Augment - per request		2500.00
Augment - cable only		1500.00
Engineering & Implementation		
Initial - per request		3481.18
Site Augmentation		1095.88
Augment - cable only		550.00
Cable Installation and Support Structure - per cable	13.38	353.24
DC Power - per load amp. per feed	19.56	
Space and Facilities Charge		
Per 100 sq. ft.		32263.92
Per 200 sq. ft.		64527.84
Per 400 sq. ft.		129055.68
Per sq. ft. addition (reduction)		322.64
Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.15	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66
44.736 Mpbs - per DS3	41.54	341.31
Fiber Optic		
Fiber Cross Connect (per 12 fibers)		
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
Service Connection Charge		
DS1		78.99
DS3		125.85
OC3		119.81
OC12		119.81
OC48		119.81
Building Space, per sq. ft.	2.27	
SPOT Bay Frame and Terminations		
Per 100 VG		498.00
Per 28 DS1s		629.24
Per DS3		120.23
Per 12 fibers		253.28
Security Access Cards		
Per 5 Cards		90.88
SCOPE		
Building Space, per equipment bay	34.05	
Construction, per equipment bay		4194.32
Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.15	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66
44.736 Mpbs - per DS3	41.54	341.31

District Of Columbia
Collocation Rates

UNE/RATE ELEMENT	Recurring Rate	Nonrecurring Rate
Application Fees		
Initial - per request		5000.00
Augment - per request		2500.00
Augment - cable only		1500.00
Engineering & Implementation		
Initial - per request		3431.16
Site Augmentation		1095.88
Augment - cable only		550.00
Cable Installation and Support Structure - per cable		353.24
DC Power - per load amp, per feed	19.56	
Space and Facilities Charge		
Per 100 sq. ft.		32263.92
Per 200 sq. ft.		64527.84
Per 400 sq. ft.		129055.68
Per sq. ft. addition (reduction)		322.64
SPOT Bay Frame and Terminations		
Per 100 VG		498.00
Per 28 DS1s		629.24
Per DS3		120.23
Per 12 fibers		253.28
Security Access Cards		
Per 5 Cards		90.88
CCOE		
Application Fees		
Initial - per request		3500.00
Augment - per request		2500.00
Augment - cable only		1500.00
Engineering & Implementation		
Initial - per request		1723.16
Site Augmentation		1581.71
Augment - cable only		550.00
SPOT Bay Frame and Terminations		
Per 100 VG		498.00
Per 28 DS1s		629.24
Per DS3		120.23
Per 12 fibers		253.28
SPOT Bay Termination		
Per 100 Pair VG	0.89	
DS1, per 28	3.09	
Per DS3	0.59	
Per 12 Fibers	2.06	
Building Space & Conditioning		
Per bay	34.05	4194.32
Security Access Cards		
Per 5 Cards		90.88
DC Power - per load amp, per feed	19.56	
Cable Installation and Support Structure - per cable		353.24
Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.15	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66

District Of Columbia
Collocation Rates

UNE/RATE ELEMENT	Recurring Rate	Nonrecurring Rate
44.736 Mpbs - per DS3	41.54	341.31
Fiber Optic		
Fiber Cross Connect (per 12 fibers)		
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
Service Connection Charge		
DS1		78.99
DS3		125.85
OC3		119.81
OC12		119.81
OC48		119.81
VIRTUAL COLLOCATION		
Application Fees		
Initial		3500.00
Augment		1500.00
Augment, cable only		1500.00
Engineering & Implementation		
Initial Application		1760.93
Site Augmentation		2581.71
Augment, cable only		550.00
Cable Installation and Support Structure - per cable	42.93	577.58
Land & Buildings		
Per Virtual Arrangement	20.43	
Per 1/4 Relay Rack	2.13	
Equipment Installation & Engineering per unit of transmission/multiplexing equipment		
Mux Recabling - per unit		1821.32
Software Upgrade - per shelf		530.09
Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.22	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66
44.736 Mpbs - per DS3	41.54	341.31
Fiber Optic		
Fiber Cross Connect (per 12 fibers)		
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
Service Connection Charge		
DS1		78.99
DS3		125.85
OC3		119.81
OC12		119.81
OC48		119.81
DC Power - per load amp, per feed	19.56	
Site Survey Report Fee		800.00
Security, Escort and Addt'l Labor		
Labor rates - per visit, per technician		
First half hour or fraction thereof		24.50
Each Addt'l half hour or fraction		24.50

District Of Columbia
Collocation Rates

UNE/RATE ELEMENT	Recurring Rate	Nonrecurring Rate
MICROWAVE COLLOCATION		
Application Fees		
Initial - per request		5000.00
Augment - per request		2500.00
Augment - cable only		1500.00
Engineering & Implementation		
Initial - per request		3481.18
Site Augmentation		1095.88
Augment - cable only		550.00
Cable Installation and Support Structure - per cable	13.38	353.24
DC Power - per load amp, per feed	19.54	
Space and Facilities Charge		
Per 100 sq. ft.		32263.92
Per 200 sq. ft.		64527.84
Per 400 sq. ft.		129055.68
Per sq. ft. addition (reduction)		322.64
Building Space, per sq. ft.	2.27	
Security, Escort and Addt'l Labor		
Labor rates - per visit, per technician		
First half hour or fraction thereof		24.50
Each Addt'l half hour or fraction		24.50
DEDICATED TRANSIT SERVICE		
Service Order		
Standard Interval - per order		64.51
Expedited Interval - per order		80.41
Manual Intervention		
Standard Interval - per order		37.47
Expedited Interval - per order		46.71
Service Connection CO Wiring and Provisioning		
Standard Interval		
Per VG		121.56

District Of Columbia
Collocation Rates

UNE/RATE ELEMENT	Recurring Rate	Nonrecurring Rate
Per DS1		131.54
Per DS3		175.75
Dark Fiber - per pair		175.75
Expedited Interval		
Per VG		173.80
Per DS1		188.42
Per DS3		251.48
Dark Fiber - per pair		251.48
Cross Connects		
Standard Interval		
VG - per 100 2WR Pairs	5.15	879.58
1.544 Mpbs per 28 DS1	154.98	1335.66
Per DS3	41.54	341.31
Dark Fiber (per 12 fibers)		177.82
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
CRTEE		
Application Fee		2500.00
DC Power - per load amp, per feed	19.56	
Physical Cable Installation and Support Structure - per cable	13.38	353.24
Virtual Cable Installation and Support Structure - per cable	42.93	577.58
Cageless Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.15	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66
44.736 Mpbs - per DS3	41.54	341.31
Fiber Optic		
Fiber Cross Connect (per 12 fibers)		
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
Virtual Cross-Connect - per svc., per month		
VG - per 100 2WR Pairs	5.22	879.58
1.54Mpbs - per 28 DS1	154.98	1335.66
44.736 Mpbs - per DS3	41.54	341.31
Fiber Optic		
Fiber Cross Connect (per 12 fibers)		
OC3	6.65	2464.00
OC12	6.65	2464.00
OC48	6.65	2464.00
Escort Service and Addt'l Labor		
Labor rates - per visit, per technician		
First half hour or fraction thereof		26.92
Each Addt'l half hour or fraction		26.92

Attachment 3

962-T 692

LEFTWICH & DOUGLAS, P.L.L.C.

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WASHINGTON, D.C. 20005-6200

(202) 434-9100
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WILLIE L. LEFTWICH, P.C.
RETIRED

January 8, 2003

PUBLIC SERVICE COMMISSION
RECEIVED
03 JAN -8 AM 10:29
CHIEF CLERK

BY HAND

Sanford M. Speight, Esquire
Acting Secretary
The Public Service Commission
of the District of Columbia
1333 H Street, N.W.
Second Floor, West Wing
Washington, D.C. 20005

Re: ***Formal Case No. 962 and Formal Case No. 1011 – Errata to Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626***

Dear Mr. Speight:

Enclosed for filing are the original and fifteen (15) copies of the Errata to Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626 filed on January 7, 2003.

We apologize for any inconvenience. If you have any questions regarding this filing, please call me.

Respectfully,

Natalie O Ludaway

Natalie O. Ludaway

Enclosure

cc: See Service List

962-T 692

BEFORE THE
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

03 JAN -8 AM 10: 21

IN THE MATTER OF THE IMPLEMENTATION	)
OF THE DISTRICT OF COLUMBIA	)
TELECOMMUNCIATIONS COMPETITION	)
ACT OF 1996 AND IMPLEMENTATION OF	) Formal Case No. 962
THE TELECOMMUNCIATIONS ACT OF 1996	) and Formal Case No. 1011

ERRATA

Will the Commission and parties please substitute the attached as page 5 to the filing made entitled "Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626" on January 7, 2003.

Respectfully submitted,

VERIZON WASHINGTON, DC INC.

Natalie O Ludaway

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1401 New York Avenue, NW
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(202) 434-9100

January 8, 2003

December 18 CLEC Letter will help ensure that Verizon DC's 271 application will succeed at the FCC.

WHEREFORE, Verizon DC respectfully submits this response in compliance with Order No. 12626.

Respectfully submitted,

VERIZON WASHINGTON, DC INC.

David A. Hill / NOL

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January 7, 2003

CERTIFICATE OF SERVICE

I certify that on this 8 day of January, 2003, copies of the Errata to Verizon Washington, DC Inc.'s Response in Compliance with Order No. 12626 were hand delivered to those indicated by [*] and mailed first class, postage prepaid, to all parties as indicated below.

Natalie O Ludaway
Natalie O. Ludaway

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CERTIFICATE OF SERVICE

I certify that on January 9, 2003, copies of the Public Service Commission of the District of Columbia's Consultative Report to the Federal Communications Commission was hand-delivered to those indicated by [*] and mailed first class, postage prepaid, to all parties as indicated below:

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